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Wyoming Issues

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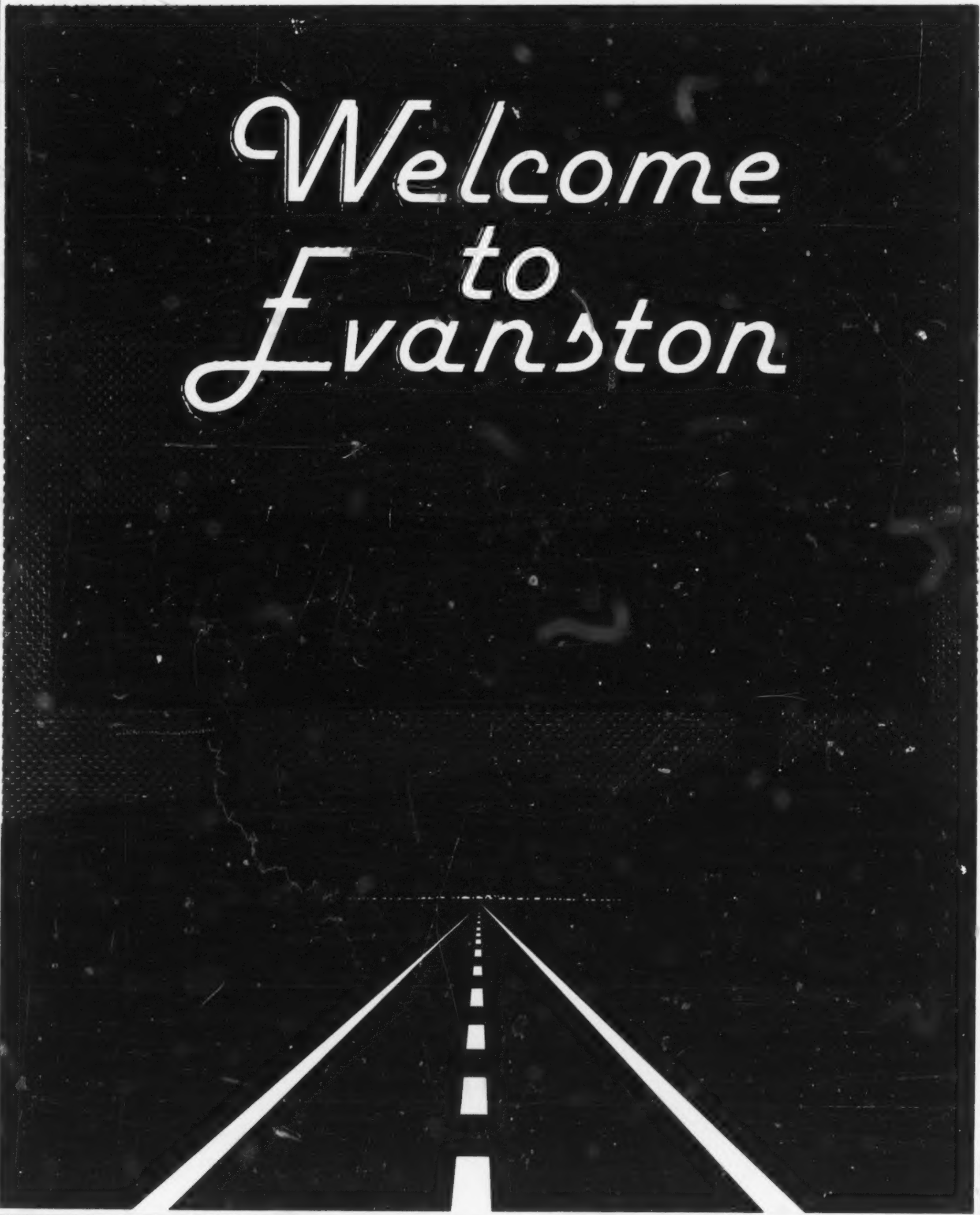
Welcome
to
Evanston

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Last summer, those of us who put *Wyoming Issues* together decided to discontinue the Research and Focus sections of the magazine. We are not abandoning research, though – two of the articles in this edition are strictly research. These reports are on the Census of Population and Housing and the tourism study recently completed by the Wyoming Department of Economic Planning and Development.

Neither are we leaving behind the idea of the Focus. The features on Evanston, the legislature, and capital facilities are in the spirit of a Focus. However, we feel our readers will appreciate a wider variety of timely articles than a Focus section can provide.

Remaining in the magazine are the Spotlight and Viewpoint features, and the indicators and forecasts. Our readers' survey last spring indicated that over 70 percent of our readers read the indicators and forecasts, and over 70 percent employ the forecasts in their jobs.

In the Fall 1980 edition, one of the articles in the Research section was *Air Service Demand in Wyoming* by Bob Rowe and Ron Dutton. The final version of this article, which is more in-depth than what we printed, has been chosen to be presented before the Transportation Research Board of the National Research Council in Washington, D.C., this month.

We still invite letters to the editor. They must be received by the following dates to be included in the edition indicated in parentheses: February 15 (Spring), May 15 (Summer), August 15 (Fall), and November 15 (Winter).

Kate Missett

Kate Missett
Managing Editor

Wyoming Issues

Winter 1981 Vol. 4 No. 1

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The articles appearing in this publication represent the opinions of the authors and do not necessarily reflect the views of the State of Wyoming or the University of Wyoming or their respective executive officers.

EVANSTON
CITY PROBLEMS FOR A SMALL TOWN

by Kate Missett

In early 1977, Evanston, Wyoming, was a sleepy little town. The population was 4,861. The major industries were the Wyoming State Hospital, logging and ranching. There had been a Union Pacific train car repair shop which employed about 400 people, but it had moved down to Ogden, Utah. Everybody knew everybody else. The two policemen patrolling at night had to hope for a drunk who was speeding in order to get some action. Senior citizens walked safely by themselves to the movie theater at night. Economically, Evanston was going through a depression, and growth was minimal. The townspeople thought that, without the Union Pacific in town, Evanston would just dry up and blow away. The state hospital had the biggest payroll in town – 350 people.

But now Evanston is wide awake. The population is now 6,420, although the residents are certain that figure is low by 1,500 souls. The major industry is oil and gas. The train car repair shop has reopened under private owners. It is now possible to walk through downtown Evanston and not recognize anyone – in fact, to be unable to tell whether or not the people on the street actually live in the town. The police are very busy, with at least four cars running nightly, and the senior citizens stay behind locked doors at night. The square acreage of the city doubled from July 1979 to June 1980. The economy is booming.

Why has the town grown so dramatically? In early 1975, oil and natural gas, in significantly recoverable quantities, were discovered in the Overthrust Belt, a 120,000 square mile strip which runs from near Alaska's Prudhoe Bay down to Mexico. The major producing part of the Overthrust Belt, called the "fairway," extends from Pineview, Utah, 40 miles east of Salt Lake City, to the Carter Creek field, between Evanston and Kemmerer. In *SpaN*, Standard Oil of Indiana's house magazine, James Vanderbeek, Amoco vice president, says, ". . . Preliminary estimates indicate the potential of several trillion cubic feet of natural gas and more than 150 million barrels of oil so far . . ." in the fairway. Estimates for the Wyoming-Utah-Idaho section of the Overthrust Belt run as high as 7.5 billion barrels of oil and 30.5 trillion cubic feet of gas. Alan Graban, community leader and president of the First Wyoming Bank in Evanston, says, "Within 20 miles of Evanston, there are 1.2 billion barrels of oil, and 10 trillion cubic feet of gas."

Even though the estimates of the reserves vary, there is no denying that the amounts of gas and oil are staggering. Once thought to contain one-tenth as much oil as Prudhoe Bay, the belt's reserves have now been reestimated to contain at least a third as much, and further upward revisions would not be surprising.

Three oil companies, Amoco, Chevron, and Champlin (a Union Pacific subsidiary), began to bring the oil and gas to the surface in 1977. All three companies have similar operations. Owen Murphy, public affairs manager of Chevron, explains what Chevron is doing in the area. "At the present time, Chevron is drilling some 19 wells, 17 of which are in Lincoln and Uinta counties. We also have begun construction of a bachelor camp roughly some 10 to 15 miles north of Evanston, and a large sulfur recovery gas plant six miles north of that point. In addition, in our Painter Reservoir area, we have a gas processing plant and are constructing a nitrogen plant."

Chevron employs only 12 people in the Evanston area, but, Murphy points out, "We are responsible for a great many more in that the wells which I mentioned are being drilled by contractors acquired by us, and there will be a peak work force in 1981 and 1982 in excess of 1,000 people constructing the sulfur recovery plant and the bachelor camp."

Amoco has one gas and oil plant in operation, and is constructing a gas processing plant. Annie Coomer, Amoco staff assistant, says, "Amoco has 30 employees in Evanston. Once production begins at the Whitney Canyon plant, that number will rise to 115. . . . The contractor for the plant currently employs 250 workers who live in a bachelor camp near the site. More workers will be hired in the spring of 1981, and, at the peak of construction, 550 workers will be employed. These men and women will also live in the camp." In addition to the oil company employees and construction workers, members of every support service to the oil industry can be found in Evanston.

Evanston knew it was in for a population boom, but a 32 percent increase in three years was a little more than the town had bargained for. What has this major influx of people meant for Evanston? Many problems, tempered with some substantial rewards.

The Wyoming State Hospital, which treats psychiatric patients, is Evanston's most famous landmark. However, modern psychiatric practices have greatly reduced the number of patients, and the energy boom has displaced the hospital as the mainstay of the community. The hospital cannot be overlooked, though, because it is a constant factor in Evanston's economy.

In the early 1960s, the hospital had over 700 patients, and the average length of stay was 200 days. The hospital's budget was about $1 million per year. By 1980, there were only 280 patients in the 350-bed hospital, and the average length of stay is now only 40 days. The hospital's budget is now about $10 million per year.

Hospitalization costs to the patient are about $100 per day, but the hospital realizes only about 16¢ on the dollar. Primary funding for the hospital comes from the state legislature.

The hospital has been a source of steady income for Evanston. There are over 400 employees, with an annual payroll of about $6.8 million. Support to local vendors amounts to some $70,000 per year.

After the Union Pacific left Evanston, the hospital's payroll was the biggest in town. While it will probably never have that honor again, because of the energy development in the area, the hospital will undoubtedly remain the most memorable thing about Evanston to most of Wyoming's citizens.

The primary immediate problem in Evanston is physical – too many people and not enough space. There are not enough houses and business rentals, nor is there room on the city's streets to handle all the traffic. The water and sewer lines are stressed, and utilities have been pushed to the limit.

The housing shortage is such that last summer 150-200 people were camped along the Bear River, which runs through town, and numerous campers and mobile homes are parked in the middle of nowhere, with no utilities or water hookups. The transient population accounts a great deal for a dispute with the Census Bureau, because none of these people were counted in the 1980 census although they were indeed living in Evanston.

In September of last year, there were 67 lots being developed by out-of-state contractors and there are over 1500 mobile home spaces, either under construction or already built. According to Graban, "Right now, housing is the worst problem. The first thing people have to do before they can find a job is find some place to live. If they don't have some place to live, there's no sense in anyone hiring them. At the bank, we had to buy a condominium just to rent to our employees. The residential area is growing, but we need apartments." Indeed, Evanston does need apartments. All the motels are full, and it is difficult to get a room there, even far in advance.

Although houses are being built, they are quite expensive and tend to appreciate rapidly. Kevin Smith, youth programs officer for the Evanston police, mentions that his new house, which is quite small, cost $73,000 when he negotiated for it. By the time of the closing, eight months later, the house had increased in value by $8,000. Smith also notes that an average new house sells for $70,000, with older homes going for as much as $65,000.

The master plan for the city, which was developed in 1977, is already out of date and is being reivsed. At the time the plan was drawn up, there were no houses south of Interstate 80. There are quite a few now, and city officials expect many more. City Engineer Wayne Shepherd expects at least 10-12 thousand people south of the interstate, and the same sort of development on the north side of town. City/County Planner Dennis Farley expects the growth to continue at its present pace for the next five years.

In addition to the housing shortage, there is also a lack of commercial space. There is only one barber shop and one dry cleaning business in town, and only one CPA is available to the townspeople on a regular basis – he visits once a week from Salt Lake. Graban says, "The opportunities are here but there is no place to house businesses. Right now, we're relying on Salt Lake City a lot, but we won't have to forever." Like the housing situation, the commercial space is slowly improving, with a new shopping center and a bank going in and some new businesses opening up. But it will be some time before the situation is normal again.

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RANCH WEAR

The congestion of the streets is another major problem. The first question asked of a newcomer is, "Have you been caught in the underpass yet?" The two-lane underpass beneath the Union Pacific railroad tracks is the only way, other than the interstate, to get back and forth between north and south Evanston. It is crowded at all hours of the day, but especially during rush hours. It would be simple to suggest that everyone use the interstate, but it is a very roundabout way to get from one side of town to the other.

Farley considers the street plan the most important aspect of the master plan. Two city council members also note that hard use of the streets and the underpass as major problems. Smith illustrates the problem. "You can go out at three or four o'clock in the morning and you'll find almost as much traffic and activity going on then as there is during the day. We run four cars from seven p.m. until seven in the morning. . . . In January and February of 1980, we averaged 90-some traffic accidents a month." There are also trucks using the downtown streets, and the police are concerned about the toxic substances which are being hauled through business and residential districts.

Graban notes the sewer system as one of the biggest problems. "Somebody told me the system right now will handle 10-12,000 people and we've got 8,000 now." Wayne Shepherd backs Graban up. Shepherd says that the acquisition of water rights is fairly easy, and Evanston is not hurting for water, but the sewage treatment plant has reached its limit. Also, the city is encouraging developers to lay pipe for sewers in the subdivisions, rather than having the city do it. The city also wants the pipe that is laid to be of the largest dimension possible to ease future development.

Smith says, "We keep incorporating more and more, hoping that it will bring the population up enough to qualify for assistance. What's happening is we're incorporating more and more needs – street repair, sewer and water, police and fire protection." As an example, Smith notes that the police force consists of 18 men now, compared to eight in 1975. The force hopes to have 21 men by the beginning of 1981, but Smith feels that number will still be inadequate.

Bruce Waters, sergeant of investigations, says, "The problem right now is that we need more space, more men, and more equipment, but the tax base hasn't caught up with the city's needs." Smith goes on, "The impact is here now, the people are here now, but the tax base has not caught up. Our department this year has got a $695,000 budget and we're just one department in the city. Every department in the city has the same problem. The services are needed now, but there's only a limited amount of dollars to go around right now."

K. Massett Photos

These problems are ones of physical expansion, but the city's real problems, in terms of cost, are crime and abuse. The Uniform Crime Report from the Wyoming Attorney General's Office, which lists incidences of murder, rape, robbery, aggravated assault, burglary and larceny, shows an increase of 110.6 percent from the second quarter of 1979 to the second quarter of 1980 for Evanston. Smith adds, "That doesn't reflect what goes through the city court. Our jail population has increased substantially. We're talking about having to enlarge the county jail. It's barely adequate now." This barely adequate jail is housed in the same building as the police and sheriff's departments. It was built in 1977.

Waters relates, "Assault and battery cases are up. It used to be that an assault and battery case didn't come in that often. It was really looked at seriously, whereas now, although it's still taken seriously, it's just another assault and battery case. Before, it was the major case of the week."

Smith continues, "We average four or five minimum a week now, in varying degrees. It almost seems like the transient population is on the verge of disaster. The situation is critical. I think a lot of it comes from the fact that a lot of people come here having heard that there are 6,000 jobs here, so they get here on a shoestring. The work is plentiful, but there are a lot of people looking for work. We spend a lot of time with traveler's aid – supplying gas so people can continue looking for a job, or giving them a meal. People who are burglarizing houses or shoplifting from stores are doing so simply out of desperation. I don't think anyone explained to these people the kind of work involved. Our juvenile crime rate is high here – about 85 percent of the crimes committed are done by people between the ages of 15 and 22. We've got a substantial runaway problem. Family fights and abuse have definitely shown a substantial increase. We've noticed a real increase in child abuse, child neglect, and battered wives and girlfriends."

Smith notes that the police have to answer about three "fight-in-progress" calls at local bars every night. The Evanston telephone directory lists less than 10 bars in town. There is also a mounting drug problem in Evanston. Smith says, "We've got a lot of single males with a lot of money, which are a good target for the drug industry. They work long hours with a lot of stress and the conditions really combine to make them drug users. It's the full range of drugs. We're getting everything from LSD to PCP to cocaine and grass, although I haven't seen too much heroin."

Senior citizens at the Uinta Senior Citizens Center were asked to comment on their thoughts about what is happening in Evanston.

Jack Henshaw – This used to be a good town, but it ain't anymore. Too many people, no place to stay. I'm lucky to have a place to stay.

Guy Ludwig – It's alright. I'm not too enthused about the boom here, but it ain't bothered me none.

Mabel White – I'm just sick about it. It's something we have to take whether we like it or not. I don't dare to walk at night. It was such a darling little place to live – a wonderful place to raise kids.

Reva Geller – I think we've got a fine little town, but I could cry.

Evelyn Bell – Evanston has changed so fast. It's enough to make you sick. It will be okay once we catch up, but it will never be the same again.

Jim Cook – It's the biggest mess I've ever seen in my life. It's ruined the town, it's ruined the county, it's ruined everything. You can't park, you can't afford to buy anything. It's the most terrible thing I've ever seen.

George Davison – The boom is too big and has come too fast. I think they've done a pretty good job on it, though.

John L. Mills – It's pretty rough on the business I'm in, the Dunmar Inn. Sometimes it's full before we start. It's hard to keep up with the times. It's rough – we have to have security guards to take care of our employees.

The Western Wyoming Mental Health Center in Evanston is swamped with these problems of child abuse, alcoholism, and drug use. The center gets referrals from schools, physicians, families and the court, and there are also walk-ins. Dr. Reed Morrill, a counselor at the center, says, "The Mental Health Center is operating under crisis. We did not have a lot of work at first, but it is getting worse and worse. Ever since July (1980) things have picked up, and it seems pretty bad right now.

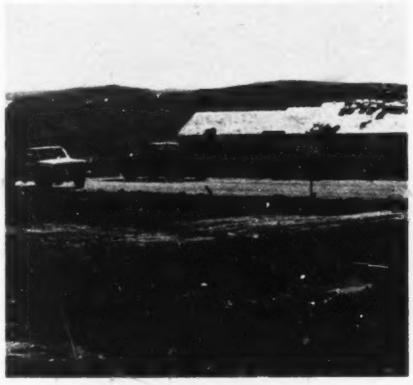
Our greatest problem in terms of numbers is depression, which primarily affects older people and housewives, but the biggest drain, as far as the counselors are concerned, is abuse. It's a cultural issue, because men do not set out to be abusers – they just grew up with it. Many men have seen their fathers abuse their mothers, and, therefore, they abuse their wives. Then the children catch the frustrations of both of their parents."

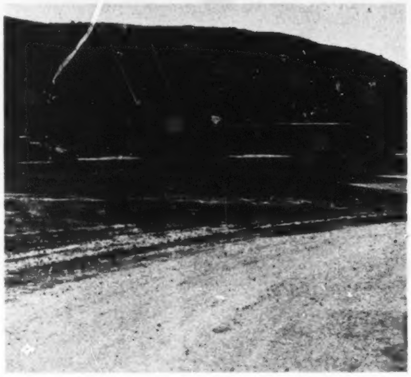
One of the worst kinds of abuse is sexual abuse of young girls by their male relatives. Many of these girls have no one to talk to and no place to turn. And a parallel problem, according to Morrill, is that drug use in Evanston has filtered down to grade-school children. "Hardly any kids have not used drugs," Morrill says, explaining that the preteenagers who feel they do not fit in at church or school begin taking drugs and become sexually active. Morrill feels that a group home for kids who have been sexually abused or who have drug problems is the Mental Health Center's number one need.

The number of people who have been counseled for alcohol abuse has also been increasing. Morrill remarks, "Alcohol is part of the oil field and cowboy cultures, and alcoholism is an epidemic in Evanston." People with alcohol related problems are referred to the Southwest Alcoholism Rehabilitation Association (SWARA), located in the same building with the Mental Health Center. Russ Vorhies, the alcoholism counselor for SWARA, treated only 16 people in the month of September, but talked to at least 75 people concerning alcoholism problems. Vorhies gets walk-in clients and referrals from the court and AA, and makes referrals to the Mental Health Center, Human Resources Services, and Family Planning. The day of the interview, Vorhies had referred three people to the hospital in Provo, Utah. Most of his cases are related to alcohol – Vorhies says that people don't want to talk about other drug use. Vorhies says, "Without education about the problem, community involvement, human resources and a detoxification center, the alcoholism problem can't do anything but get worse. With transients who have no housing and nothing else to do but drink, it can't help but get worse. The key to improvement is community awareness." Vorhies has access to many programs through SWARA to help people involved with alcoholics or alcoholism. There is a treatment center in Pinedale, and offices in Evanston, Kemmerer, and Rock Springs. Eventually, SWARA hopes to have another treatment center in Rock Springs.

Another problem mentioned by Morrill is that transient family children, in general, have trouble in school, with a higher number of learning problems than in the general population. And Smith mentions that Uinta County had the highest dropout rate of any Wyoming counties for 1979-80. However, sheer numbers alone are keeping the schools filled. Ryley Dawson, the principal of Evanston Senior High School, says, "We thought the big growth would be at elementary school levels, not at the high school level, but there are as many new students at the high school as anywhere else. The present enrollment is 450, with a new enrollment of 90 students in the fall of 1980. Everyday, we get two to four new students, but a few students also leave." Dawson feels that the school is benefitting from the growth, because a larger variety of classes can be offered, and more new teachers can be hired. "The dropout rate is probably higher," Dawson explains, "because marginal students get jobs instead of staying in school."

It must be pointed out that the oil companies have not been oblivious of Evanston's problems. Chevron and Amoco have given Evanston $500,000 each, for a total of $1 million, to be used in various capacities to ease the impact on the city. Owen Murphy, of Chevron, says, "The question, with regard to adequate services, is not whether the energy industry will do its financial part – the question is when, and that million dollars was to assist in the up-front effort." The three oil companies also formed the Overthrust Industrial Association, which lists among its purposes assisting government to maintain the quality of life in the Overthrust area, assisting in planning for energy-related growth before increased tax revenues from industrial development are realized, and assisting government in meeting interim demands for public services arising from growth. Annie Coomer of Amoco says, "The OIA stresses that it is not a source of unlimited funding, but rather a vehicle for establishing cooperative action between the energy companies, local leaders, and the general public to prevent and solve problems."

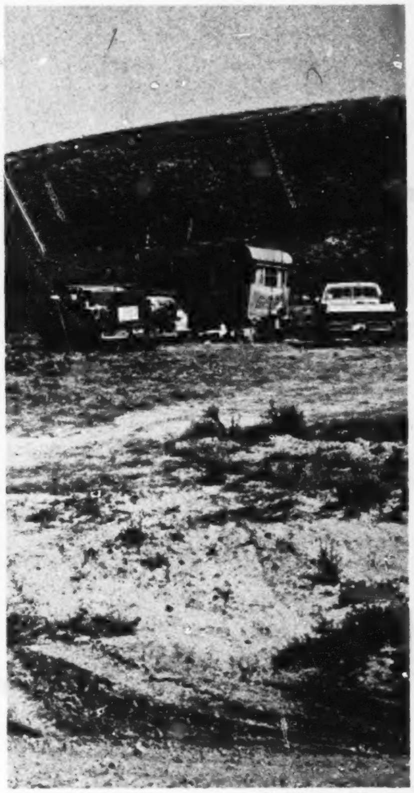




Graban remarks, "The oil companies are being very helpful. They will be funding planning research for the city and county, and they make the information they have available to anyone."

Evanston's leaders are not ignoring the problems either. Mayor Dennis Ottley feels that Evanston has to accept the growth in a positive way. He notes, "We're doing a lot of planning. We've had good attendance at the city council meetings, particularly for zoning issues." Of the 17 items of business scheduled for the meeting of September 18, 1980, 11 had to do with zoning and housing developments, and two additional zoning items were added during the first part of the meeting.

"I think the city council members are recognizing what is going on," Graban declares, "and they are trying to cope with it to the best of their aiblities. We've got about two years' lead time. Evanston is growing, but it is not growing out of control."



K. Missett Photos

The city is doing everything in its power to meet the physical problems head on. These problems will be solved primarily by annexation to the city, housing and retail developments, and money for services. These are tangible problems with very real solutions. The social problems are different.

The major thing the city is doing to alleviate the social problems is fine-tuning its parks and recreation department. Dennis Poppinga, the parks and recreation director, says, "The boom population ranges in age from 23 to 35. It's an active age group, and the people are looking for an outlet when they're not working. We are offering every program possible with the facilities now available to us."

The department uses the three school gyms, one school pool and classrooms, the city's outdoor pool and tennis courts, the baseball and softball fields, and the three city parks. Poppinga adds, "We concentrate on team sports and leagues because more people can be involved, and currently we are working on more outdoor projects. There has been a tremendous growth in baseball. We had 14 teams in 1977, and 61 teams in 1980. In 1980, approximately 1,000 people participated in baseball." The city has received a grant to build a baseball complex, and has an additional three acres of land available for parks.

A study is being done concerning the feasibility of a community recreation center, which the people of Evanston want very much. Tentative plans for the recreation center include an indoor/outdoor pool, basketball/volleyball courts, an indoor track, a weight room, kitchen facilities, sauna or whirlpool, locker rooms, and, possibly, raquetball courts. The recreation center would be open all day to facilitate shift workers.

Evanston also has an indoor skating rink and a nearby ski area. The ski area is open on weekends in the winter, and the number using the area increased from 65 a day in 1979 to 100 a day in 1980. Another big increase is expected this year.

Poppinga says, "Just about every program we've tried has been successful. The only thing limiting expansion is the number of facilities now available. The need is there and the people are behind it – we just need time and money." Poppinga notes that there has been little if any vandalism of the facilities because the desire for recreation is so great. Poppinga continues, "We want to do it right. Recreation is not top priority in the city budget, but everyone has done their best to help the program."

All in all, the people of Evanston feel optimistic about their town. Mel Baldwin, publisher of the Uinta County *Herald*, says, "Economically, the growth is great." Dennis Poppinga adds, "The impact is good because people moving in bring in their talents and help the community." Bruce Waters feels, "The expansion has brought in a lot of transients, but it's also brought in a lot of permanent people – people who are concerned for the community, concerned for the schools – who are making an effort to involve themselves with the city." Kevin Smith continues, "They're getting active. They're running for the school board and for city council. They're professional people. They've been through boom towns before and they know the pros and cons. The ones who are coming here with families and who are going to be here for a while are very welcome and an important asset to the community because so many of them have been through similar things. They know what's going to happen and what steps we can take to prevent problems. Evanston needed the positive changes." Wayne Shepherd says, "We are fortunate because we have officials who are very concerned about growth and planning for the future. Everyone goes that necessary extra mile."

Alan Graban concludes, "I think a lot of people who have struggled for many, many years are now wealthy beyond their wildest dreams. The city has been through the leaving of the railroad and now has an opportunity to grow and prosper. The city is a good place to live. Right now it's kind of a raw place to live, but I think that as far as supporting yourself and your family is concerned, it's a tremendous opportunity and a tremendous challenge."

City Council members were asked: What's the best thing and the worst thing about the boom in Evanston?

Dennis Ottley, Mayor – The best thing is the economy – it's helped the economy. Local kids can get jobs here. The boom has made it much better for people who have been here for years. It's relieved the depression. The worst thing is trying to keep up with the impact and trying to get the moneys necessary for improvements.

David Bills – The best thing about the boom is that it provides jobs. Kids don't have to leave town to get jobs. The worst thing is that it wrecks the infrastructure of the town. The streets are torn up and it is hard to get electricity, water and city utilities on the north end of town. Also, telephones are not keeping up with demand, and the sewer system is reaching its capacity. Our inability to keep up with things is probably the worst problem.

Roy Fruits – The growth has helped promote an economic opportunity that has not been here before. I think it's for the good. Pretty soon, it's going to settle down. The growth has hurt in ways, but it will get worked out, and things will be better, although not overnight.

Jim Rice – The exploration is about the best thing that's happened in a long time, but the people won't accept it. It's got to change and people are going to have to accept it.

Russell Megeath – The best thing is the increased revenue that should be coming forth. The worst thing is the lack of immediate money to handle the problems we have.

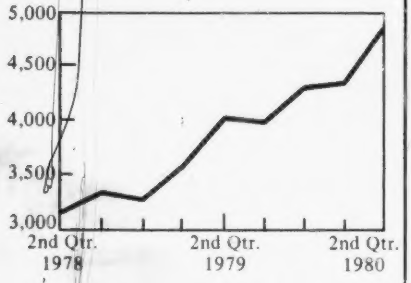
Ronald Davis – It will help the county to build necessary schools when we get the tax base. We need to pass the 1 percent tax again to keep the city going. The worst things are the traffic going through the underpass and the hard use of city roads.

Russ Albrecht – When I graduated from high school in Evanston, only 10 percent of my class stayed in Evanston, so the prosperity and jobs for youth, if they want to stay here, is a good thing. It's difficult to keep ahead of the impact. We are trying to plan for the future, especially for water and sewer. We have to look for all avenues of help. The impact has hit pretty hard as far as schools and government go. We have to plan and move – the impact is not going to go away.

Uinta County Economic Indicators

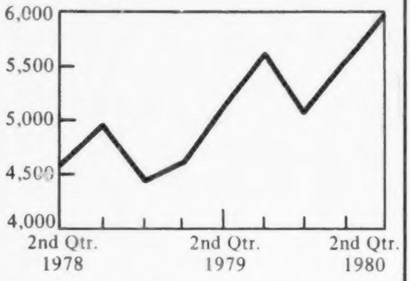
by Andrew M. Bryson

Total Employment



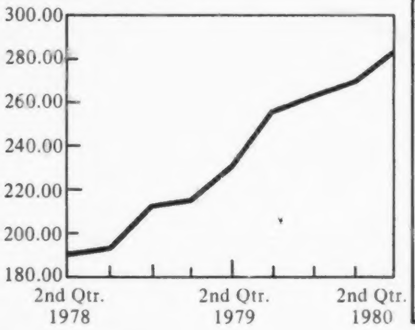
Source: State & County Summary

Total Civilian Labor Force



Source: Labor Force Trends

Average Weekly Earnings ($)



Source: State & County Summary

Uinta County's economy experienced a general upward trend from the fourth quarter of 1978. The major reason for this economic growth is the oil and gas exploration and development taking place in the region of the Overthrust Belt formation. Evanston is the center for most of the drilling being done in Uinta County and adjacent fields in Utah.

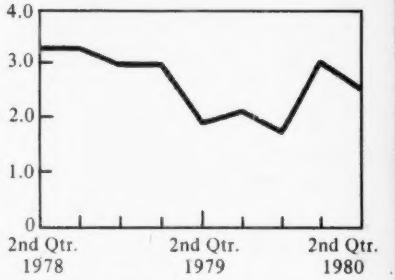
Figures for oil production in Wyoming's Overthrust Belt fields, most of which are in Uinta County, show an increase of 225.8 percent from 1978 to 1979. Through July 1980, production was 83.9 percent (3,306,608 BBLS) of last year's total production. Natural gas production increased 625.9 percent from 1978 to 1979, and production of natural gas through July of 1980 is 83.3 percent (18,338,595 MCF) of the 1979 total production.

The unemployment rate for Uinta County has been running below the state average since the first quarter of 1979, with the exception of the first quarter of 1980 – the state figure was then 2.8 percent, compared to Uinta County's 3.0 percent. During the second quarter of 1980 the state unemployment rate was 3.9 percent and Uinta County's figure was 2.6 percent.

Total civilian labor force, total employment and average weekly wages in Uinta County all hit new nine quarter highs during the second quarter of 1980. The total civilian labor force experienced a general increase from the fourth quarter of 1978, with the exception of the fourth quarter 1979. The increase since second quarter 1979 is 16.5 percent to 5,945, and since second quarter 1978 the increase is 27.2 percent. Total employment likewise has steadily increased since fourth quarter 1978, except for a slight decrease during third quarter 1979. The increase since second quarter 1979 is 20.9 percent to 4,866, and since second quarter 1978 the increase is 52.1 percent. Average weekly earnings have been on the rise since second quarter 1978. The increase since second quarter 1979 is 21.9 percent to $281.96 and since second quarter 1978 the increase is 47.8 percent.

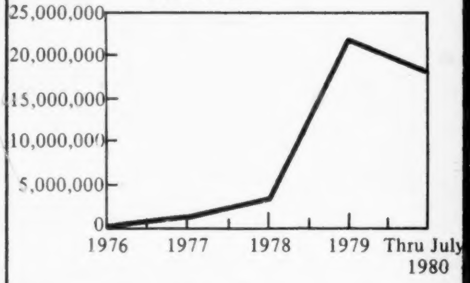
The economic outlook for Uinta County is good. Further mineral exploration and development and the subsequent industrial and peripheral construction should stimulate economic growth through 1981 and provide even better wages and employment opportunities.

Unemployment Rate (%)



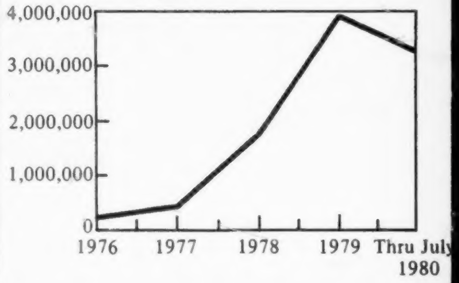
Source: Labor Force Trends

Wyoming Overthrust Belt Gas Production (MCF/Year)



Source: Wyoming Oil & Gas Conservation Commission

Wyoming Overthrust Belt Oil Production (BBLS/Year)



Source: Wyoming Oil and Gas Conservation Commission

SPOTLIGHT

by Kate Missett

Bill Schulze is an associate professor of resource economics at the University of Wyoming. He started teaching here in 1978, and he is well-liked by his colleagues, staff members, and students. Schulze is also a member of the Resource and Environmental Economics Laboratory (REEL), an economics research center. Before coming to Wyoming, Schulze taught at the University of Southern California and the University of New Mexico. He received his bachelor's degree from California State University at San Diego and his Ph.D. from the University of California at Riverside.

Schulze defines his research as being in the areas of the economics of natural resources and the environment, with a special focus on safety issues. For those of us familiar with the guns and butter school of thought, the slant on safety results in an unusual approach to economics, because it combines ethics with economics. Schulze was introduced to the safety idea when he was working on a nuclear waste storage project and found that he could not look at human lives in terms of dollar value alone. Schulze says, "How do you approach the problem of leaving future generations something that is potentially harmful? Economists have really had to explore philosophy and ethics to try and handle some of the far-out problems they encounter, such as what happens when we do things that will affect people 100,000 years from now. That's one of my current major research efforts – to try to do benefit/cost analysis where we embody alternative ethics, so there isn't just one answer."

Schulze feels that economists have to take responsibility for their analyses because too many policy makers use benefit/cost analysis as an excuse for their actions, using the common denominator of dollars rather than the real human problems involved.

Schulze's research efforts have primarily been directed to the environment, although his first major effort, with the Lake Powell project in Page, Arizona, was also concerned with the boomtown phenomenon. While involved with the Lake Powell project, Schulze began to wonder if services should be provided in boom areas when it is obvious that the demand for services will decline in just a few years. "As an economist, I tried to figure out what the appropriate amount of expenditure was in terms of social investments in a boomtown," Schulze remarks. The Lake Powell project also got him involved in the complicated area of recreation demand forecasting.

Another of Schulze's projects was a look at solar and geothermal energy for the National Science Foundation. This research, which Schulze did with colleagues, has shown passive solar heating to be more economically effective than active solar heating, when considerations are made for the current state of the economy and the availability of fuels. According to Schulze, he and his colleagues "really were the first to recognize that passive solar technologies should probably, to some extent, be included in every home, especially in a place like Wyoming, which has a high heating demand and lots of sunshine. Every house should be taking some advantage of passive gain. I think eventually passive design will be included in most homes. In Wyoming, passive should do spectacularly well."

Since coming to Wyoming, Schulze has been involved in a number of projects concerning the environment. One of these projects, which was concerned with air pollution control in the Los Angeles area, had a very interesting result. According to Schulze, air pollution and health hazards are not as tightly linked as some scientists would have us believe. What people really object to, Schulze says, are the aesthetic problems of air pollution, such as reduced visibility in the Rocky Mountains and discomfort in heavily polluted areas such as Los Angeles.

Other research Schulze has been involved in while at U.W. includes air pollution in national park lands and earthquakes in the Los Angeles area. The research grants he has received while at U.W., in cooperation with other U.W. faculty members, has amounted to over $1.26 million.

Schulze has published, or will soon publish, 28 articles in various books and economics journals. His articles deal with the subjects of his research. An article which Schulze coauthored will be one of the lead articles in a brand new journal, *Risk Analysis.* Schulze finds the ideas behind the new journal – ethics, economics and risk – to be very interesting.

Schulze also reports to a number of agencies, such as the Department of the Interior, the Los Alamos Scientific Laboratory, the Environmental Protection Agency, and the National Science Foundation. He is a reviewer for 10 journals or presses, and participates in many seminars.

As mentioned earlier, Schulze is popular with students, and, although he sometimes teaches graduate level courses, he devotes most of his teaching time to the large freshmen level classes.

Where's the Money? The Plight of Wyoming's Local Governments

FEDERAL RESERVE NOTE
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The following three articles examine the fiscal state of affairs for Wyoming's cities, towns, and counties. Paul Cleary's article discusses all three entities, while Norm Cable discusses counties and Robert Cantine talks about municipal problems.

An Overview

by Paul Cleary
State Planning Coordinator's Office

Local governments throughout Wyoming are faced with an ever widening variety of problems, the majority of which have financial implications. Although the manifestations of local government financial problems are often discussed, the forces behind these problems are generally not widely understood by the taxpaying public. Financial problems and needs at the local level stem from both external forces over which local governments have little control and from internal factors related to past and present governmental decision-making. Examples of external forces include inflation, rapid population growth, wage scale competition with the private sector, the costs of complying with federal and/or state mandated programs, rules and regulations, constitutional and statutory limits on tax levies and authorities, and the uncertainties associated with federal and state assistance programs. Internal factors affecting local government financing include city-county cooperative ventures and special district arrangements, service area and related growth management decisions, decisions regarding user charges, fees, and local tax levies, service demand, and satisfaction with the types and quality of local government services.

Attempts by local governments to deal with factors affecting fiscal health take place against a background of public demand to keep taxes low. This demand is often contradicted by expressions of support for more public services and facilities and cries for local governments to "do something" about situations ranging from street conditions to stray animal control. Local elected officials often find themselves between the proverbial rock and the hard spot when it comes to reconciling these conflicting demands and attitudes.

The ability of a governmental unit to carry out its fiscal responsibilities and tasks depends upon the relationship of its tax base (or fiscal capacity) to the costs of providing public services (or needs). The ratio of actual tax revenue collected to tax base is a measure of tax effort. When a relatively high tax base exists in concert with relatively low needs, standard service levels can be provided with a relatively low tax effort. When the opposite holds, that is, high needs and low tax base, then a high tax effort may be required to provide even a substandard service level.

Comparisons between per capita expenditure levels of various governmental units are hampered by the fact that the costs of providing services often vary from one jurisdiction to the other. Economies of scale cause some of this variance, as do special district arrangements or even physical factors such as the existence of firm, high quality water supplies. Comparisons of current expenditure patterns to past trends are likewise hampered. The major problem in conducting such a trend line analysis is the fact that both the quantity and quality of governmental services has changed dramatically in the last ten years. Local governments just do not conduct business today in the same manner they did 10 years ago.

A research effort to clarify the problems and needs of Wyoming local governments was initiated recently by the Wyoming Department of Economic Planning and Development and the State Planning Coordinator's Office. Part of this study involved a survey of local officials concerning factors affecting local government revenue and expenditure patterns. On the expenditure side, the costs of complying with new laws and regulations, rapid population growth, and the impact of inflation on the costs of basic governmental activities were all identified as having major impact on the fiscal health of Wyoming local governments. On the revenue side, uncertainties associated with the local optional 1 percent sales tax and the future of state and federal assistance programs were identified as major problems. Many of the reported factors and problems were interrelated, such as rapid population growth and new facility and service requirements or inflation and wage scale competition with the private sector.

Mandated compliance with federal and state regulations regarding activities such as sewer and water treatment, solid waste disposal, and health, social and legal services has changed both the type of public service and the cost. The increased costs are related to both personnel recruitment, training and certification requirements and necessary facility construction or equipment purchases. It is tempting to conclude that regulations and laws requiring new services or facilities increase municipal expenditures equal to the total cost of these new services or facilities. However, the proper measure of fiscal impact is the difference between what the regulation or law requires and what would have been spent absent the legal requirements. Public pressure to allocate government expenditures for a particular public purpose does not always find embodiment in a regulation or law; however, it is often expressed at the voting booth as support for officials advocating programs or actions.

Many of the problems facing our local governments are a result of rapid population growth, the boomtown syndrome. Rapid population growth is almost always a result of increased industrial activity, such as mine development or power plant construction. In time, this increased economic activity should result in increased tax revenue, however, there are often distributional and front end money problems. The time lag between the period when population growth occurs and the period when the tax base actually expands can create major difficulties in the provision of governmental services. Much of the new development occurring in Wyoming is taking place in rural areas where there is little, if any, excess capacity in terms of governmental services or facilities. This lack of excess capacity is compounded by the fact that normal low unemployment among the existing population will result in substantial in-migration to meet the labor demands of the new or expanded industrial development. The result is pressure for "overnight" expansion of governmental services and public facilities.

Intergovernmental transfers in the form of federal or state impact assistance are attempts to provide front end money to address the problems caused by rapid population growth. Several local officials have identified the uncertainty and lack of flexibility or applicability of various federal and state assistance programs as a major problem area. Distributional problems occur when the tax base expansion takes place in one jurisdiction while the population expansion takes place in another. This is often the case in mineral related developments, where the major tax base expansion takes place in the counties and the population growth occurs in the towns and cities. The passage of the Joint Powers Act attempted to reconcile this situation by allowing any combination of Wyoming counties, municipalities, school or community college districts or special districts to address problems in a comprehensive fashion and to apply for the purpose of providing capital facilities or services.

The in-migration of citizens to Wyoming from other parts of the country has resulted in pressure for both service expansion and for new services such as health, social or recreational programs which were commonplace in the areas from which they migrated. While population increases result in increased governmental expenditures, actual service costs are often more directly related to service area than service population. Factors such as miles of streets, water lines and sewer lines or a number of bridges and intersections have major impact on capital facilities and service costs.

Growth management and related land use controls represent a potentially effective tool to limit local expenditures by controlling development and, hence, demand for government services. However, land use controls for public purposes other than health or safety have limited application and acceptance in Wyoming, particularly in our more rural or small town environments. Effective control of land use requires a clear definition of goals, a knowledge of how land resources and uses relate to these goals, and an understanding of how landowners and others may adapt their behavior in response to these expressions.

The goals of growth management are to insure that public services will be provided in the most efficient and cost effective manner. One method of encouraging adherence to this goal in land developers' decisions is to use marginal cost pricing so that the burden is borne fully by those who contribute to the need for expansion of services or facilities. Under this approach, tap fees and sewer tie-in costs would be set at a rate which reflects the total costs of necessary plant investment and facility expansion. In addition, monthly charges would incorporate any additional operating and maintenance costs related to serving the new development.

Local officials throughout Wyoming have identified inflation as having a major impact on expenditure patterns of local governments. Chase Econometrics estimates that the current underlying nationwide inflation rate lies somewhere between 9 and 10 percent, but they project a decrease to approximately 7 percent by the latter half of the decade. In Wyoming, the Cost of Living Index rose 12.6 percent from the second quarter of 1979 to the second quarter of 1980. However, it appears that costs for the goods and services purchased by municipalities have increased at a much higher rate. According to the **Engineering News Record**, building and capital construction costs are up approximately 277 percent since 1970, with over a 20 percent escalation in costs in 1979.

There appears to be no good index on inflation for the costs of municipal goods and services. Any attempt to display the rise of local government expenditures relative to the inflation rate is potentially misleading because of changes in both the quantity and quality of the facilities and services which local governments are under pressure to provide. However, the seriousness of inflation cannot be understated. This is reflected in the fact that a 12.5 percent annual inflation rate will require a doubling of tax revenues approximately every six years just to keep pace with the cost of doing business as usual. This doubling of tax revenue would only maintain current purchasing power and would not allow for any service expansion or new service provisions.

While inflation directly affects the costs of capital facilities and operation and maintenance activities, it has indirect effects as well. One such effect is resultant wage scale competition with the private sector. When the prevailing wage rate in a locality is driven upward for whatever reason, local governments must pay more to attract and keep good people. According to the survey respondents, this problem is prevalent throughout much of the state.

The issues discussed above have culminated in a situation whereby the basic expenditure requirements for many of Wyoming's local governments are currently outstripping the growth of available revenue sources. The factors which local government officials use to assess revenue sources include elasticity, yield, predictability, and diversity of burden. Elasticity is a measure of the revenue sources' response to external factors such as growth or inflation. Sales tax revenue is elastic in the sense that it generally increases with population growth and increases in per capita income and prices. For Wyoming cities and towns, sales taxes are and will continue to be the revenue source providing the greatest proportion of total revenue. This source of revenue is also important to county government operations.

The local optional 1 cent sales tax is a particularly important source of local revenue. Under the current distributional formula, the state redistributes one-third of the statewide 3 percent sales tax, less administrative costs, back to the county of origin, where it is then distributed amongst the cities, towns and unincorporated areas according to population. The passage of a 1 percent local optional sales tax increases the individual purchasers sales tax burden by only one-third while it actually doubles the revenue yield available at the local level. The predictability of this source is hampered by the fact that voter approval is required to adopt the tax and it must be reapproved biannually. If the voters do not reapprove this tax, it discontinues on January 1 following the November election. Unfortunately, this date falls right in the middle of the fiscal year, which can create havoc for locally budgeted and approved programs and projects.

For Wyoming counties, the ad valorem property tax is the most important source of county revenue. Property tax is calculated on all property, real and personal, by applying the county mill levy against the assessed valuation in the county. Constitutional mill levy limits are imposed on the various taxing entities: counties, 12 mills, cities and town, eight mills; penitentiary and improvement districts, one mill. This revenue source is somewhat predictable as to yield and occurance. However, property taxes do not respond to inflation unless reassessment occurs on a regular basis to reflect increasing property values. With the exception of mineral property and some industrial property, which are normally taxed at 100 percent of current value, regular property value reassessment does not occur here in Wyoming. Residential and commercial property value is determined by local assessors in accordance with the State Tax Commission's assessment policy whereby the assessed valuation is calculated by taking 25 percent of the 1967 market value. This policy certainly keeps property owners happy, thus avoiding the "proposition 13" initiatives which California and other states have recently experienced. However, this policy is responsible for property tax revenues lagging behind inflation.

Wyoming county, first class city and incorporated town governments all exist in order that local residents may unite for the purpose of providing certain types of public services. While there are firm adherents to the philosophy that the government which governs the least is the best, particularly here in the West, the adage about the certainty of "death and taxes" appears to have become reinforced in recent times. Striking the balance between a low profile approach with low taxes and low service levels and a cradle-to-the-grave caretaker role is one of the major challenges facing all levels of government today.

County Problems

by Norm Cable
Wyoming County
Commissioners' Association

No less than seven inquiries to determine the fiscal needs of local governments in Wyoming are either under way or have been completed by various entities throughout the state. These inquiries reveal valid concerns for the plight of local governments and their inability to keep pace with rising costs due to government mandates, mineral impact, demands for ever increasing services, and outdated and inadequate facilities and equipment. A recent review by the Wyoming County Commissioners' Association of county budget sheets revealed many service, facility and equipment demands which the counties were unable to fulfill.

During the last budget cycle, one half of Wyoming's counties were unable to meet their department's requests. The requests were generally for road and bridges departments, but courthouse and jail operations also were underfunded. Other areas suffering from insufficient available funds are the clerks', treasurers' and assessors' offices, sheriffs' departments, county attorneys and courts (both county and district) and county health departments. The total revenue shortfall amounts to more than $2.5 million. These figures do not include construction costs for badly needed capital facilities. Most counties are at their full 12 mill allowable levy and are also using the optional sales tax. However, reserve funds are still being used and there are cutbacks on basic programs and delays of badly needed facility expansion and rehabilitation or equipment purchases.

Recent studies of highway and bridge needs show an almost total lack of federal funds for construction and maintenance of county roads. The Highway Department's current bridge inventory shows that 40 percent or more of the county bridges are in deficient condition. Local governments have had no percentage increases available to them from state gasoline tax receipts since 1969, and gasoline consumption has also dropped. The growth of heavy commercial traffic over roads and bridges which were never designed for the weights, widths, and volumes now common in our state is also having an adverse affect on our county road system. All of these factors, combined with an inflation index of 300-400 percent for construction and maintenance materials in the past seven years, have made the condition of our county road system critical.

One substantial loss to our county road program occurred through legislative action in 1979. The 2.25 percent mineral royalty monies, which had been going directly to county treasurers for roads, were placed instead in the capital construction account. Distribution was to be through grants and loans by application through the Farm Loan Board. To date, counties have not been able to participate, however, as water and sewer projects are given higher priority. The restoration of royalty monies to the county treasurers would help to meet the demands of road construction and maintenance.

Not only do the counties have increased work loads and the need for additional employees to deal with energy related impact, they also must meet public demands for new programs and services. But, as a result of the tremendous population increase, the available revenues have not kept pace with expenditures. The counties which are affected most are those counties adjacent to the heavily industrialized ones. Although the energy impacted counties will eventually benefit through mineral royalties or increased property tax revenue, counties which are void of energy resources will not receive these benefits. In many cases, they must face the same additional service problems and must handle the additional traffic, road and bridge volumes and added law enforcement expense as the impact counties do.

Property taxes are still the primary source of local revenues. Most of Wyoming's counties are benefitting by increased assessed valuations. Tax revenues are climbing. With the exception of five counties, all are at or nearly at the allowable 12 mills, and only two fall below nine mills. The optional 1 percent sales tax, continued by 15 counties in last year's general election, has been a boon to all who have been using it, but few long-term uses can be planned when this sales tax must be renewed every two years.

We are continually reminded of Wyoming's wealth and the available monies to support our own programs. The projections for future revenues do look promising and should be substantial by the mid-80s. However, most of our counties cannot wait that long for solutions to our fiscal needs. Some better distribution plans to address current inequalities may be the answer, but help is needed now.

City Problems

by Robert Cantine
Wyoming Association of Municipalities

Where will money come from to help local communities avoid deterioration in their facilities and deal with impact growth? Some legislators argue that money should come from city taxes on residents, others, from the State's funds, and still others, from the mineral industry. Some take a laissez faire attitude. The important issue of money is one that the legislature will deal with again this year.

This article attempts to clarify some of the issues involved. In doing so, figures are drawn from a considerable number of sources.[1] The projections of revenues and expenditures are based on the best estimates of those making the projections. At this stage, they represent the most current and comprehensive set of figures available on municipal finances and needs in Wyoming.

The View at the Community Level

The Wyoming Association of Municipalities surveyed each municipality and asked them to identify the operating, maintenance and equipment problems going unmet because of lack of revenue. Seventy-three out of 90 municipalities responded by the time this article was prepared. Four towns – Elk Mountain, Lost Springs, Mills and Van Tassell – indicated they were currently in adequate financial condition. Responses of the remaining 69 are shown in Table 1. We also asked a similar question concerning unmet needs for capital facilities, and the responses are shown in Table 2.

It is difficult to precisely measure the additional funding required to solve these problems. However, the 69 cities estimate that they would need an additional $19.8 million each year for the needs in Table 1. The needs in Table 2 would require an additional $197 million.

Where Will the Financing Come From?

Cities and towns are still trying to recover from the 84,000 new citizens who moved into their communities during the last 10 years. They face problems with basic, fundamental services. Very few have had the luxury of working on the difficult problems of adequate housing and downtown revitalization. The unsolved puzzle is where the money will come from to keep the communities from becoming rundown or overrun.

The current financing of cities and towns is complex and not well understood. Also, until recently, there has been a lack of necessary statistics. To understand municipal finance, it helps to focus first on the available major revenue sources in terms of two categories: 1) who has the legal authority to impose the tax or charge, and 2) the type of expenditure the revenue source is designed to accommodate.

Imposed by the Governing Body (Operating Expenditures)

Property Tax. Cities and towns are limited by the Wyoming Constitution to an eight mill levy, excluding bond redemption and interest on outstanding bonds. Property taxes for special districts (such as fire districts), the policemen's pension fund, and bands must also come from within the eight mill limit. Property taxes in addition to the eight mill limit, may be levied for retirement of debt service. Although 80 out of 90 municipalities levy within one mill of the limit, the property tax constitutes a relatively small percentage of total municipal revenues (TL). It is not considered much help in meeting impact needs, because the major growth in property values from mineral and energy development has occurred in the counties, not the cities. Municipalities received $5.1 million statewide in fiscal 1980, which equalled 1.7 percent of the total property taxes collected in the state (TR). If last year's increase continues, the tax will generate an additional $537,000 statewide next year.

Charge for Service. Cities and towns can impose a fee or charge to cover part or all of a service they provide. The list of services, such as sanitation pickup and cemetery fees, is quite extensive. These fees and charges do make up an important part of some municipal budgets. However, these charges are used primarily to cover part or all of the costs of a specific service and are not considered revenue sources which can be used to subsidize services for which no charge is made.

State and Federal Imposed Revenues (Operating Expenditures)

Sales Tax. In 1975, the state legislature agreed to return one-third of the 3 percent sales tax to cities, towns and counties. This revenue source has been one of the principal sources of operating revenue for cities and towns. In FY 1980, this tax returned $29.5 million to municipalities, representing a statewide increase of $4.6 million over the previous year (AR,SUT). If the growth rate remains the same, an additional $6.3 million should be produced in FY 1981.

Use Tax. This 3 percent tax, imposed by the State on goods purchased out-of-state for use in Wyoming, complements the sales tax on in-state purchases. In 1979, the legislature increased the amount returned to municipalities and counties to 1 percent. This revenue source has been particularly helpful to impact areas since it responds very quickly to industrial activity. In FY 1980, it returned $6.5 million to cities and towns, representing an increase of $2.4 million over the previous year (AR,SUT). However, this was due in large measure to the increased share granted local governments by the State. Total use tax collections for the State increased by only 1 percent (AR). This revenue source should produce an additional $1.6 million for municipalities in FY 1982.

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[1] Rather than footnote the sources each time, the following abbreviations will be used in the text: Legislative Service Office (LSO) analysis of tax levies and local option taxes (TL); Wyoming Taxpayers Association analysis of property tax rates (TR); Department of Revenue and Taxation annual report (AR); LSO analysis of sales and use tax distributions (SUT); LSO history and projections of mineral royalties (MR); Farm Loan Board statement on coal tax grant awards, November, 1980 (CT80); and LSO history and projection of mineral taxes (MT).

Federal Mineral Royalties. Of the federal mineral royalties received by the State, 7.5 percent is allocated to cities and towns. A minimum of $10,000 is set aside for each municipality and the remainder is allocated based on county school-age population and the population of each municipality within the county. This revenue source is now the second largest source of state revenue to support operating expenditures of municipalities. In FY 1980, it returned approximately $7.1 million, representing a $1.7 million increase over FY 1979 (MR). It is expected to generate an additional $3.1 million in FY 1982.

Gasoline and Cigarette Taxes. Cities and towns receive approximately 1.08 cents of the eight cent gas tax and share with the counties in five cents of the eight cent cigarette tax. These two taxes returned $6 million in FY 1980, representing a loss of $80,000 over FY 1979 (AR). The principal cause of this decline was a drop in gasoline tax revenues, probably due to conservation measures on the part of consumers.

Federal Revenue Sharing. This revenue is the only source of income received directly by municipalities from the federal government. It is most frequently used for one-time equipment or capital facility expenditures; however, approximately 44 percent of the municipalities also use this revenue source for operating expenditures. Municipalities receive the smallest share of this revenue source, compared to counties and the State. During federal FY 1980, cities and towns received an entitlement of $3.2 million. If the program is reauthorized, there will be no increase in the amount of money municipalities receive.

Imposed by the Governing Body (Capital Expenditures)

Developer Assigned Costs. Most municipalities require developers of subdivisions to pay for and install the major public facilities such as streets, water and sewer. Many municipalities also require a dedication of land or a cash contribution for parks and other public facilities. The dollar value of this approach has never been calculated statewide.

State and Federal Imposed Revenues (Capital Expenditures)

Coal Tax Grants. Revenue from a 2

Table 1. Unmet Operating, Equipment and Maintenance Needs

Area of Need	# of Cities Indicating Need
Pay salaries to attract and keep employees	51
Properly maintain streets	55
Maintain public buildings	25
Maintain parks and keep park equipment in good shape	35
Purchase needed fire protection equipment	26
Hire policemen to provide sufficient protection	38
Properly gravel streets	32
Upgrade landfill operation, including equipment	26
Purchase needed garbage pickup equipment	17
Purchase needed snow removal equipment	35
Hire staff and purchase equipment to enforce dog ordinance	32
Hire staff to handle administrative responsibilities	20
Hire personnel to administer various codes	29
Hire personnel to do comprehensive planning	29
Other operation and maintenance needs	29

Table 2. Unmet Capital Facility Needs

Area of Need	# of Cities Indicating Need
Build sewer facilities	40
Build storm sewer facilities	32
Pave or reconstruct streets	47
Construct water facilities	36
Build fire station	23
Build police station	21
Build town/city hall facilities	28
Build jail facilities	21
Construct new landfill	15
Build park and recreation facilities	32
Other capital project needs	23

percent severance tax on coal is administered by the Farm Loan Board (FLB) for grants to cities, towns, counties, special districts, and the Highway Department. Only communities impacted by coal development are eligible for the grants The funds are evenly divided between water/sewer and streets/highways. A 50 percent local match is required from municipalities, although it may be waived under special conditions. In October, 1980, cities and towns received $4.1 million, for which they will have to raise an equal amount of local revenue (MT, CT80). It should produce an additional $46.6 million for municipalities over the next four years.

Federal Mineral Royalties Grants and Loans. An additional 9.75 percent of the federal mineral royalties received by the State is administered by the FLB for grants and loans. Seventy-five percent of this money is for municipalities affected by mineral development. The funds may be awarded for any municipal service; however, the FLB sets highest priority on water and sewer. The same general policy on local matching applies to mineral royalty grants. The FLB should receive $13 million in FY 1981, with $9.8 million earmarked for cities and towns (MR). Mineral royalties should produce $62.8 million for municipalities over the next four years.

Airport Grants. Cities and towns which own airports are eligible for 80 percent grants of up to $300,000 per project. In 1980, the legislature appropriated $2 million for this program.

Emergency Grants. An emergency fund of $4 million is administered by the governor to assist ranchers, farmers, counties and municipalities with extraordinary expenses during periods of severe weather or other disasters. However, this is not a normal source of funding for capital facility needs.

Joint Powers Loans. The FLB is authorized to make "joint powers" loans with interest to individual municipalities from the Permanent Land Funds. The projects must be the type which generate revenue to pay off the loan. No more than $60 million may be outstanding in loans at any one time.

Various Federal Grants. The three principal federal grants programs that have reasonably significant funding and broad applicability to municipalities in Wyoming are sewer grants from the Environmental Protection Agency, outdoor recreation grants from the Department of the Interior, and urban street grants from the Department of Transportation. These grants all require some matching funds.

Industrial Siting Administration. For certain mineral and energy development projects, the Industrial Siting Administration can stipulate that the industry must contribute money to affected cities and towns to mitigate its impact.

Water Development Fund. A 1.5 percent severance tax on coal is earmarked for the water development fund to help finance projects involving development of water resources in the state. The legislature has authorized one $20 million grant from the fund with the stipulation that the fund could not be drawn down to less than $10 million. Because of various uncertainties, this is not a revenue source for which a municipal allocation can be determined.

Voter Approved Revenues (Capital Expenditures)

Bond Issues and Assessment Districts. Subject to voter approval, municipalities may issue general obligation bonds of up to 4 percent of their assessed value for general municipal purposes, plus an additional 4 percent for sewer. These bonds are paid back, with interest, through special property tax levies. No limit is placed on such bonds other than the ability of citizens to handle the increased property taxes. Municipalities may also issue revenue bonds, also subject to voter approval in most instances, for improvements which generate revenue to pay off the bonds. The practical limit is the same as above. A third, related alternative is the use of assessment districts in which benefitting properties are assessed a pro rata share of the project cost, plus interest. Municipalities had more than $60 million in outstanding bonds of all types in 1979.

1 Percent Option and Use Tax. Since 1973, cities, towns and counties have been authorized to levy a 1 percent sales tax county-wide. In 1980, the law was amended to also require the imposition of a 1 percent use tax. The proposed tax must be reapproved every two years by a county-wide election. This revenue has been reserved mostly for capital improvements; however, some municipalities are now using the revenue to cover operating expenses. The tax is now in effect in 16 counties, and raised $22.1 million in FY 1980 for municipal expenditures (AR). The 1 percent use tax, which goes into effect January, 1981, where it has been passed, would have produced approximately $3.4 million had it been in effect in FY 1980. These two revenue sources should produce approximately $186.5 million over the next four years in the 16 counties now levying the tax.

The Revenue/Expenditure Gap

The review of revenue sources helps to clarify the basic framework for municipal finance. It also helps in pinpointing the financial difficulty now being experienced by cities and towns.

First, the review of revenue sources indicates that approximately $11.5 million in additional revenue will be available in FY 1982 to assist in financing the day-to-day maintenance and operating expenditures of cities and towns from the property tax, sales/use tax, and mineral royalties. However, the general fund operating budgets of the 15 first-class cities, excluding utilities and major capital projects, totals approximately $64.5 million for FY 1981. Assuming their costs to cover inflation in salaries, materials and supplies are conservatively estimated to increase by 12 percent, they will require approximatley $7.7 million of the additional revenue just to do what they did during this year. The remaining towns have day-to-day operating budgets totaling approximately $25 million. Their efforts to contend with a 12 percent inflation rate would use $3 million of the $3.8 million remaining. Little if any revenue is available to expand or add basic services to meet population impact.

Secondly, capital facility financing faces a somewhat different dilemma. The State will have approximately $109.8 million in grant funds for municipalities over the next four fiscal years from coal taxes, mineral royalty and airport funds. Federal grant programs for sewer, parks, and urban roads would provide an additional $83.2 million for a total of $193 million. However, since these projects will have to be accomplished over the next four years, inflation will add considerably to the cost of these projects and, therefore, to the State and federal share.

The local community problems stem from local matching requirements and the improvements for which grants are not now available. The total local funds required are estimated at $188.6 million for capital projects and $8.4 million for equipment. But inflation will also increase these required amounts.

The principal local revenue source available to cities and towns is the 1 percent local option sales and use tax. Assuming the voters will continue to approve the tax on a county-wide basis in the 16 counties now imposing it, and if the sales tax portion grows at 18 percent and the use tax at 20 percent, then it would produce $186.5 million in the next four years. This leaves the cities and towns with a short-fall of $82.5 million. Approximately $53.3 million could be made up if the local option sales tax could be passed in the remaining seven counties. Local communities could also go further in debt or attempt assessment districts. These latter two methods would require the equivalent of increased property taxes or increased charges for water and sewer service.

In summary, the ability to meet the equipment and capital facility needs of cities and towns without higher property taxes or significant utility rate increase will depend on a number of "ifs." These variables include:

> If the county-wide elections will continue to approve the 1 percent local option tax;
>
> If the local option sales/use tax can be passed in the remaining seven counties;
>
> If all of the cities and towns have equal access to the coal tax and mineral royalty grants for the types of projects they need;
>
> If the federal government continues the major grant programs at current funding levels and matching requirement;
>
> If the FLB will exercise its authority to waive the 50 percent match requirement where reasonable local effort has been shown;
>
> If the legislature will share the State's wealth with cities and towns in order to provide greater local financial ability to match grant funds in the event local sales tax options are not approved county-wide; and
>
> If the legislature provides additional funding for State grant programs.

Alternative Approaches to Meeting Municipal Needs

As the beginning of this article indicated, there appear to be two main philosophies about municipal finance problems. There are those who feel that cities and towns should be given additional taxing power, to levy taxes on their residents in order to finance community needs. As the argument goes, this would insure greater accountability of the tax dollar.

The difficulty with this approach is two-fold. First, a similar problem of inequality exists between municipalities as exists between school districts. The smaller towns in particular do not have a taxable base to generate the substantial revenue required by impact.

Secondly, this approach sets up a situation in which the additional burden for meeting community needs is placed on city residents, while the industrial activity responsible for the impact growth is in the unincorporated areas outside the cities' taxing jurisdiction. This would be difficult to justify, not only in terms of the substantial mineral revenue available in the State treasury, but also in terms of inflation, which has affected the cost of living.

Sharing more equally the State wealth with cities and towns is also subject to two different approaches. One side argues that sufficient revenues are now available in the State treasury to meet the needs of State agencies, public schools, counties, cities and towns without raising additional taxes at the State level. The other side argues equally strongly that these needs cannot adequately be met from existing revenue, and that the additional revenue should come from a tax increase on the mineral industry which is causing the impact.

While the legislature considered many alternative revenue sources to assist local governments during the last session, the four principal proposals involved increasing the severance tax, redistribution of mineral royalty receipts generated by deregulation of oil and gas, redistribution of interest from the Permanent Mineral Trust Fund to local governments, and redistribution of the existing sales tax to return an additional 1 percent to local governments.

These proposals will certainly be discussed again. The problem is that all the proposals appear headed toward the same collision course between proponents of the different approaches that occurred in the 1980 Budget Session. Time is money and the longer it takes to reach a decision on the method of financing, the more expensive the solution will be. Hopefully, the Interim Committee of the legislature studying municipal finance will be able to fashion a consensus proposal that is acceptable and will meet the needs of Wyoming's communities.

VIEWPOINT

by U.W. President Edward Jennings

We in higher education must continually remind ourselves that our function is to go beyond training undergraduate and graduate students for specific jobs. Our professional educational programs in such areas as agriculture, medicine, engineering, law, and nursing are vital and must receive our full support, but we must remember that the student trained for a specific job is not adequately educated.

American society does not guarantee jobs or wealth. The student must be prepared for the changes that she or he will face in an uncertain future. Education in specifics is important, but its greatest importance is as a means to an end. We should teach students to absorb, analyze, synthesize, and act ethically on information. We must provide students with an ability to answer for themselves the question of "How do we know the things that we know?"

Admiral James B. Stockdale recently noted that "A liberally educated person meets new ideas with curiosity and fascination. An illiberally educated person meets new ideas with fear."

Central to a liberal education is the teaching of permanent, practical, and transferrable skills. These include the ability to express ideas effectively, both verbally and in writing; to think critically and solve problems effectively; to understand values and respond appropriately to different values; to function effectively in social institutions; to understand the role of science and technology in society, including its relation to the quality of life; and to treasure the arts.

What we should be doing, in essence, is preparing students for the long haul – to meet the demands of a changing society and to tackle jobs in the future that do not even exist today. Thus, we must insist that our students obtain a broad background in a variety of disciplines including the fine arts, the social sciences, the humanities, the physical sciences, and the biological sciences. Only in this way will our students be prepared for successful careers and for lifetimes of vitality, substance, and excitement beyond their chosen professions.

It is a tragic and permanent loss when a young man or woman is graduated from The University of Wyoming – or from any university – without having been touched by the beauty and grandeur and subtleties of the English language; with little or no knowledge of foreign languages or cultures; with no aesthetic sensitivities in music, art, and drama; with little or no understanding of world history or even of the history of America with an accompanying understanding of government and economic structures; with no first-hand appreciation for the preciseness and excitement of science and mathematics; with no clear understanding that his or her education only starts with commencement.

PRELIMINARY CENSUS RESULTS– POPULATION AND HOUSING

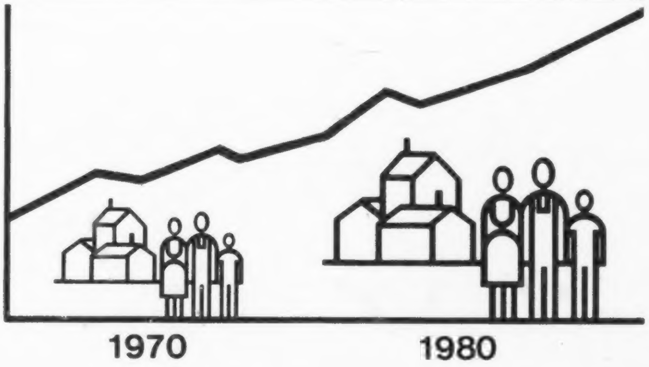
by G. Fred Doll

The Census Retrieval and Information Service (CRIS) was established to provide a means for enhancing the effective use of data arising from the 1980 U.S. Census of Population and Housing. CRIS is a joint effort of the Institute for Policy Research at the University of Wyoming, the Research and Statistics Division of the Wyoming Department of Administration and Fiscal Control, and the State Planning Division of the Wyoming Department of Economic Planning and Development.

The primary objectives of CRIS are twofold. First, it serves as an extension to state and local government agencies, to help analyze policy-related issues, implement and evaluate programs, and respond to statistical requirements. Second, it serves census information users in general, by describing available data to potential users, tabulating information available only on computer tapes, and providing advice to users regarding access to and application of census information.

CRIS information is available through Institute for Policy Research and Research and Statistics Division reports, news releases, and, for government agencies, census data assimilations.

The following table gives 1980 preliminary figures pertaining to total population and housing for Wyoming counties, incorporated cities and towns, and census designated places, along with the 1970 counts for comparison purposes. Percentage changes from 1970 to 1980 are also given.



1980 Census
Preliminary Population and Housing Unit Counts for Wyoming

	Preliminary Population			Preliminary Housing		
	1980	1970	% Change	1980	1970	% Change
WYOMING	468,954	332,416	41.1	187,804	116,323	61.4
Albany County	28,974	26,431	9.6	11,962	8,800	35.9
Laramie	24,339	23,143	5.2	9,564	7,212	32.6
Rock River	417	344	21.2	177	132	34.1
Big Horn County	11,901	10,202	16.7	4,828	3,775	27.9
Basin	1,338	1,145	16.9	562	447	25.7
Byron	635	397	59.9	216	128	68.7
Cowley	459	366	25.4	158	121	30.6
Deaver	178	112	58.9	68	42	61.9
Frannie (pt)[1]	120	103	16.5	58	39	48.7
Greybull	2,250	1,953	15.2	966	795	21.5
Lovell	2,445	2,371	3.1	969	824	17.6
Manderson	168	117	43.6	60	57	5.3
Campbell County	24,363	12,957	88.0	9,504	3,951	140.5
Gillette	12,125	7,194	68.5	4,856	2,228	118.0
Prospector-Rawhide Village (CDP)[2]	1,098	....	....	344	....	....
Wright (CDP)[2]	1,115	....	....	514	....	....
Carbon County	21,823	13,354	63.4	8,633	5,071	70.2
Baggs	430	146	194.5	182	67	171.6
Dixon	82	72	13.9	46	33	39.4
Elk Mountain	340	127	167.7	129	49	163.3
Encampment	610	321	90.0	320	187	71.1
Hanna	2,294	460	398.7	845	169	400.0
Medicine Bow	952	455	109.2	377	157	140.1
Rawlins	11,485	7,855	46.2	4,202	2,772	51.6
Riverside	56	46	21.7	53	37	43.2
Saratoga	2,420	1,181	104.9	978	507	92.9
Sinclair	593	445	33.3	226	172	31.4
Converse County	14,025	5,938	136.2	5,351	2,291	133.6
Douglas	6,009	2,677	124.5	2,339	1,066	119.4
Glenrock	2,738	1,515	80.7	1,042	514	102.7
Lost Springs	9	7	28.6	3	2	50.0
Crook County	5,303	4,535	16.9	2,415	1,617	49.4
Hulett	291	318	-8.5	148	128	15.6
Moorcroft	1,011	981	3.1	425	307	38.4
Sundance	1,085	1,056	2.7	479	359	33.4
Fremont County	39,074	28,352	37.8	14,580	8,814	65.4
Dubois	1,067	898	18.8	463	306	51.3
Hudson	513	381	34.6	210	136	54.4
Jeffrey City (CDP)[2]	1,887	....	....	707	....	....
Lander	7,943	7,125	11.5	2,917	2,094	39.3
Pavillion	277	181	53.0	100	65	53.8
Riverton	9,569	7,995	19.7	3,655	2,597	40.7
Shoshoni	875	562	55.7	378	210	80.0
Goshen County	12,022	10,885	10.4	5,015	4,095	22.5
Fort Laramie	356	197	80.7	152	87	74.7
La Grange	232	189	22.8	100	68	47.1
Lingle	474	446	6.3	214	174	23.0
Torrington	5,431	4,237	28.2	2,231	1,656	34.7
Yoder	110	101	8.9	52	37	40.5
Hot Springs County	5,712	4,952	15.3	2,541	1,984	28.1
East Thermopolis	366	316	15.8	220	144	52.8
Kirby	129	75	72.0	50	25	100.0
Thermopolis	3,849	3,063	25.7	1,716	1,301	31.9
Johnson County	6,714	5,587	20.2	3,029	2,255	34.3
Buffalo	3,798	3,394	11.9	1,672	1,295	29.1
Kaycee	272	272	0.0	131	103	27.2
Laramie County	68,604	56,360	21.7	27,327	19,437	40.6
Albin	128	118	8.5	72	66	9.1
Burns	267	185	44.3	110	79	39.2
Cheyenne	47,207	41,254	14.4	19,537	14,940	30.7
Fox Farm (CDP)[2]	2,846	1,329	114.1	1,189	463	156.8
Orchard Valley (CDP)[2]	3,327	1,015	227.8	1,308	347	276.9
Pine Bluffs	1,082	937	15.5	479	355	34.9
Warren (CDP)[2]	3,651	4,527	-19.4	838	858	-2.3
Lincoln County	12,177	8,640	40.9	4,665	2,942	58.6
Afton	1,473	1,290	14.2	526	428	22.9
Cokeville	513	440	16.6	185	164	22.8
Diamondville	1,008	485	107.8	361	195	85.1
Kemmerer	3,271	2,292	42.7	1,302	794	64.0
La Barge	302	....	....	119	....	....
Thayne	253	195	29.7	99	67	47.8
Natrona County	71,589	51,264	39.6	28,322	17,324	63.5
Casper	50,704	39,361	28.8	19,864	13,369	48.6
Edgerton	505	350	44.3	201	140	43.6
Evansville	2,648	832	218.3	889	262	239.3
Midwest	635	....	....	250	....	....
Mills	2,152	1,724	24.8	898	580	54.8
Mountain View (CDP)[2]	2,443	1,641	48.9	976	516	89.1
Niobrara County	2,928	2,924	0.1	1,432	1,330	7.7
Lusk	1,654	1,495	10.6	777	712	9.1
Manville	94	92	2.2	53	51	3.9
Van Tassell	10	21	-52.4	12	8	50.0
Park County	21,549	17,752	21.4	8,741	6,193	41.1
Cody	6,706	5,161	29.9	2,829	1,888	49.8
Frannie (pt)[1]	17	36	-52.8	12	11	9.1
Meeteetse	521	459	13.5	234	190	23.2
Powell	5,302	4,807	10.3	1,998	1,612	23.9
Platte County	11,991	6,486	84.9	5,048	2,448	106.2
Chugwater	285	187	52.4	139	76	82.9
Glendo	368	210	75.2	171	84	103.6
Guernsey	1,503	793	89.5	638	282	126.2
Hartville	148	246	-39.8	64	94	-31.9
Wheatland	5,655	2,498	126.4	2,434	973	150.2
Sheridan County	25,025	17,852	40.2	10,899	6,893	58.1
Clearmont	191	141	35.5	71	54	31.5
Dayton	687	396	73.5	267	149	79.2
Ranchester	655	208	214.9	240	80	200.0
Sheridan	15,136	10,856	39.4	6,598	4,438	48.7
Sublette County	4,545	3,755	21.0	2,384	1,537	55.1
Big Piney	530	570	-7.0	221	193	14.5
Marbleton	539	223	141.7	187	64	192.2
Pinedale	1,061	948	11.9	519	383	35.5
Sweetwater County	41,662	18,391	126.5	15,095	6,516	131.7
Granger	176	137	28.5	71	50	42.0
Green River	12,785	4,196	204.7	4,232	1,380	206.7
Rock Springs	19,415	11,657	66.5	7,499	4,104	82.7
South Superior	586	197	197.5	242	132	83.3
Wamsutter	682	139	390.6	282	83	239.8
Teton County	9,354	4,823	93.9	4,885	1,995	144.9
Jackson	4,504	2,688	67.6	2,071	1,048	97.6
Uinta County	13,021	7,100	83.4	4,473	2,204	102.9
Evanston	6,420	4,462	43.9	2,295	1,389	65.2
Lyman	2,293	643	256.6	730	196	272.4
Mountain View	629	....	....	219	....	....
Washakie County	9,493	7,569	25.4	3,773	2,659	41.9
Ten Sleep	405	320	26.6	193	225	54.4
Worland	6,379	5,055	26.2	2,486	1,750	42.1
Weston County	7,105	6,307	12.7	2,902	2,192	32.4
Newcastle	3,584	3,432	4.4	1,442	1,228	17.4
Upton	1,206	987	22.2	530	329	61.1

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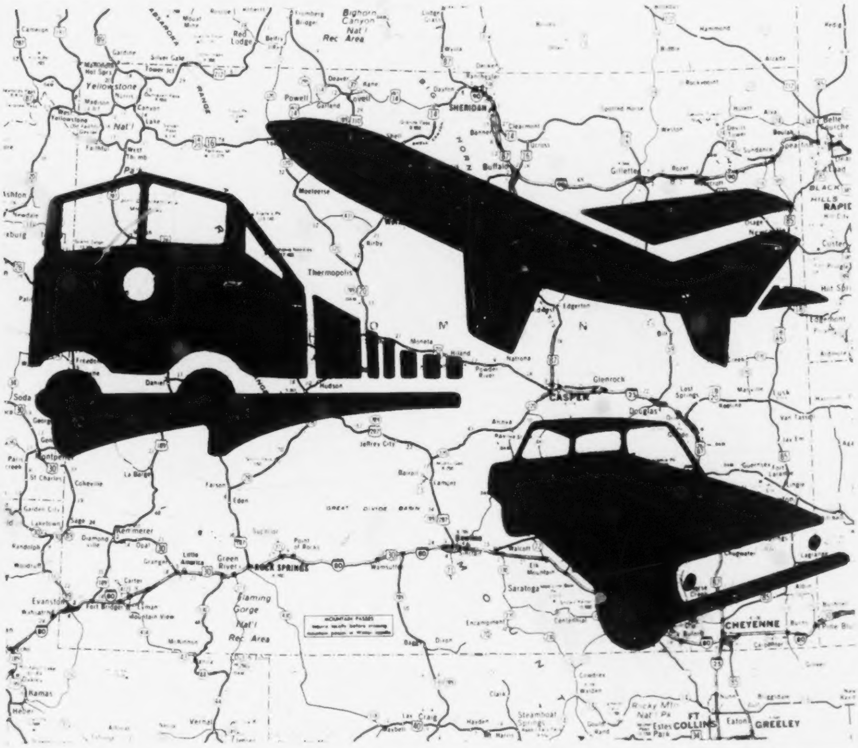
[1] Total for Frannie = 137

[2] CDP = Census Designated Place

THE WYOMING TRAVEL-TOURISM INDUSTRY AN UPDATE



by
Robert J. Tomlinson and
Anthony Roso, Jr.
Industrial Development Division
Wyoming Department of Economic
Planning and Development

If someone were to go out and ask fifty Wyoming residents what they thought of tourists, it is quite possible the majority of the responses would be negative. Nevertheless, the economic contribution to Wyoming from tourist-related expenditures is considerable. In 1978, the travel/tourism industry made over a half a billion dollars in sales to travelers and tourists in Wyoming, which supported approximately 22,000 jobs paying over $119 million in salaries.

These facts, and a multitude of others, are a result of an extensive research project conducted by the Industrial Development Division of the Department of Economic Planning and Development. The report, entitled *The Wyoming Travel/Tourism Industry*, was published in July of 1980. It documented, for the first time, the magnitude, in dollars and jobs, of the spending characteristics of resident and nonresident travelers and tourists throughout the state.

During this last summer and continuing through the fall, an effort has been underway to update and, at the same time, refine the techniques of analysis associated with estimating the effect of tourists' and travelers' spending in the state during 1979. The information contained in this article reflects those objectives. Further, this research is directed toward meeting the private sector needs of investors and the public sector needs of travel promotors. That is, providing reliable and consistent data to private and public entities will facilitate a more rational allocation of resources into one of the state's most lucrative sectors.

Knowing from where people travel and the reason for their trip, how long and where they stay, how much they spend and on what, and other related factors, provides an insight into this complex, varied and changing industry. The future of the travel/tourism industry is, at best, uncertain. Gasoline, its availability and price, lack of an air transportation system, the negative impression of a "boomtown" state, a national recession, and the weather are but a few of the things that contribute to the uneasiness of those who depend on tourism for their economic livelihood. Although a great deal of risk is inherent in this business, the potential for profit is just as significant.

The need to evaluate and monitor the absolute amount of tourist-related expenditures and the relative magnitude of changes in this spending is crucial to understanding the cyclical nature of the industry. This update is part of the second year of data collection and analysis. However, two years of data, or data points, do not make a trend line. With continued tenacity, primary data collection and an orderly expansion of sample sizes will allow analysis to be done with some predictive value. As it stands now, many descriptive data have been collected. It is presented in as consistent a format as possible. The data suggest but do not substantiate inferences.

The procedures used to gather data are presented in what follows. This includes the means and methods utilized to generalize data collected from mail questionnaires and determine the number of tourists and travelers interviewed in each region of the state. Also, the techniques and their underlying assumptions are discussed in conjunction with the dollar figures and percentages incorporated in various tables. The information summarized here is a portion of a full report which will be published early in 1981.

1979 Total Traveler and Tourist Related Expenditures

Before examining the expenditure results of the study, the economic conditions of the years under consideration need to be reviewed and kept in mind when comparing yearly figures. The 1978 figures presented in this section represent a year when the national economy was in fairly good shape and the travel and tourism industries realized their best year ever. In 1979, a gas shortage was perceived and the travel and tourism levels took a drastic decline of about 20 percent from 1978. Then, in 1980, there was a surplus of gas, but the nation was in a recession. The travel and tourism industries regained from the 1979 declines but were still down about 10 percent from the 1978 boom year.

With these facts in mind, the total traveler and tourist-related expenditures in Wyoming for 1979 were $491,775,154. This compares to a total of $551,830,297 in 1978, or a decrease of 10.9 percent. However, when the 1979 figure is adjusted to account for inflation (12 percent) and stated in 1978 dollars, the total is $432,762,136 or a decrease of 21.6 percent in real terms. Thus, a 20 percent decline in traveler and tourist levels brought about a 21.6 percent decrease in total travel and tourism expenditures in Wyoming. This is quite a decrease for the industry and for Wyoming as a whole, since the travel and tourism industry is a major part of the state's economy. However, less people were spending about the same amount of money during the gas shortage year of 1979.

The 1979 total expenditures estimate is based on the combined total expenditures by the type of accommodations used, including motels and hotels, campgrounds, guest ranches, and staying with friends or relatives (combined with an "other" category). In the first three categories, total accommodations were estimated and then average 1979 daily expenditures per person, as estimated in last year's study, were used to find total expenditures. The fourth category estimate is based solely on sample weights and will be explained in detail shortly.

The total expenditures estimated for the approximate 6,291,287 motel and hotel users in 1979 is $254,545,472. An average of $40.46 was spent per person per day. Compared to 9,280,070 people and total expenditures of $326,565,664 in 1978, this is a 32.2 percent decrease of people resulting in a decrease of 22.1 percent in total expenditures. The decrease may be due to a shift by tourists to cheaper accommodations, i.e., campground use. Also, less people staying in motels are spending more money overall.

Total expenditures by all campground users in Wyoming were $132,442,474 in 1979. This results from an estimate of 5,686,667 campground users spending an average of $23.29 per person per day. The 1978 estimate is 3,206,098 *private* campground users who spent a total of $66,443,825. These figures are not comparable however, because the 1979 estimate includes both private and public campground users while the 1978 estimate is just for private campground users.

Total expenditures by all guest ranch patrons in 1979 came to $13,065,162, where there were 312,938 patrons spending a daily per person average of $41.75. This compares to total 1978 expenditures of $15,039,167 by 390,932 patrons or a decrease of 13.1 percent in expenditures and 19.9 percent in patrons. These figures also suggest a shift away from guest ranch use and again demonstrate that less people were spending more money.

The final category accounts for people who stayed with friends or relatives or used other accommodations while traveling (i.e., sleeping in the car or driving straight through, etc.). This group averaged $21.86 per person per day in expenditures which results in a total of $91,722,046 for 1979. This figure is not estimated directly because there is no accurate figure on total travelers in this category. Therefore, it is weighted by the percent of sample observations as compared to the other three categories. There is no comparable 1978 figure.

It should be mentioned that the 1979 total expenditures figure of $491,775,154 is based on the type of overnight accommodations used as explained above, whereas, the 1978 total estimate of $551,830,297 includes motel and hotel users, private campground users only, guest ranch patrons, additional expenditures by hunters and fishermen not counted elsewhere and additional expenditures by Grand Teton and Yellowstone National Park visitors not counted elsewhere. The 1978 study does not include estimates of staying with friends, relatives or an "other" category and possibly has some double counting in the hunters, fishermen and visitors categories. This study improves on last year's estimates by being more consistent and basing the expenditures estimate on all accommodation types (which should account for all travelers including those who just drive straight through the state).

1979 Accommodations Supply

The total expenditures information is based on the type of accommodations used by travelers and tourists. Therefore, a good understanding and estimate of the supply of the accommodation types is necessary. This section presents the supply figures needed to derive the total expenditures estimates and also identifies party characteristics of motel patrons.

Table 1. Average Occupancy Rates for Motels and Hotels in Wyoming

	1979 Occupancy Rates		1978 Occupancy Rates[1]	
Month	N[2]	Percent	N[2]	Percent
January	93	44.1	188	46.6
February	94	46.4	188	51.3
March	94	48.6	188	55.2
April	96	51.8	188	61.5
May	103	60.0	188	65.6
June	115	72.1	188	83.6
July	113	81.9	188	91.3
August	115	83.4	188	91.8
September	111	71.6	188	80.3
October	102	64.1	188	66.6
November	98	52.6	188	53.5
December	99	43.1	188	48.7
Annual Averages	–	60.0	–	68.7

[1] *Wyoming Travel/Tourism Industry*, Industrial Development Division, Department of Economic Planning and Development, July, 1980, p. 17.

[2] N represents the number of usable returned mail questionnaires.

This and all following tables are from the Industrial Development Division, Wyoming Department of Economic Planning and Development.

Table II. Average 1979 Occupancy Rates for Campgrounds and Guest Ranches in Wyoming

	Campgrounds Occupancy Rate		Guest Ranches Occupancy Rate	
Month	N[1]	Percent	N[1]	Percent
January	17	54.3	6	11.8
February	17	52.1	6	13.2
March	17	55.4	6	19.8
April	22	53.7	5	7.4
May	41	46.7	7	6.6
June	52	57.7	19	39.1
July	52	71.0	22	58.2
August	52	67.2	22	64.8
September	51	51.9	21	40.8
October	33	41.7	13	35.2
November	21	50.0	9	42.6
December	19	51.2	5	20.8
Annual Averages	--	54.0	–	30.0

[1] N represents the number of usable returned mail questionnaires.

The total supply or capacity available for each accommodation type is the primary figure needed to estimate the expenditures data. There were 547 motels and hotels identified within the state, which provided an annual total of 6,066,643 rooms, or 16,621 rooms available per day. There are seasonal fluctuations, with 15,198 rooms/per day available in February compared to 18,204/per day available in August. The total expenditures figure is found by combining the total capacities with occupancy rates.

Table I presents the average occupancy rates for motels and hotels for both 1979 and 1978. As can be seen, the annual average occupancy rate, and each monthly occupational rate, is lower in 1979 than in 1978. The lower occupancy rates point out that people perceived the 1979 gas shortage existed from about the first of April through the end of September. Then, as the gas shortage situation eased in the last three months of 1979, motel and hotel use started to recover and approached the same levels as in the last three months in 1978.

The total supply of campground sites (both public and private) in the state was found to be 2,685,890, with an annual daily average of 7,359. The 1979 annual average occupancy rates for all campgrounds in the state was 54 percent (See Table II). However, these annual averages do not reflect the fact that there were only 2,164 campground sites/per day available in February while 15,479 sites/per day were available in July. There are no comparable 1978 figures.

The total capacity available at guest ranches throughout the state was 668,114 in 1979. Guest ranch capacity was harder to identify because secondary information sources do not list total capacity for each establishment. This may be due to the varying capacities of guest ranches depending on group sizes sharing rooms. Thus, these figures are based only on the 23 returned usable questionnaires. The 1979 annual average occupancy rates for all guest ranches is 30 percent (See Table II). Again, the winter season capacity is less than the total summer capacity, with more than four times as many guests in the summer as in the winter. There are no comparable 1978 figures.

The states of origin of motel patrons indicates that there were more regional travelers in 1979 than in 1978. Table III shows that all six adjacent states and Wyoming are in the top ten states of origin for motel patrons.

Table IV shows that motel patrons are split about 50-50 between tourists and business travelers on an annual average. However, the monthly figures indicate that the commercial accounts are fairly consistent from month to month while tourist accounts vary greatly. The main tourist season starts in June, peaks in August and then tapers off sharply through October. These are the only months when tourist accounts are greater than commercial accounts. However, the commercial accounts stabilize the motel industry and carry it through the winter season.

1980 Travelers and Tourists

This section presents a look at the characteristics of travelers, the type of

Table III. Top Ten States of Origin to All Wyoming Motels

State	1979 Annual Averages[1] N[3]	Percent	State	1978 Annual Averages[2] N[3]	Percent
Wyoming	4506	28.1	Wyoming	8645	24.0
Colorado	2330	14.5	Colorado	4323	12.0
Montana	930	5.8	Montana	1981	5.5
Utah	896	5.6	California	1945	5.4
California	819	5.1	Utah	1261	3.5
Nebraska	639	4.0	Illinois	1225	3.4
Idaho	513	3.2	Nebraska	1189	3.3
Texas	473	3.0	Texas	1117	3.1
South Dakota	466	2.9	Minnesota	1045	2.9
Illinois	347	2.2	Wisconsin	829	2.3
All Others	4097	25.6	All Others	12462	34.6
Totals	16016	100.0		36022	100.0

[1] Derived from sampling registration cards throughout Wyoming.

[2] *Wyoming Travel/Tourism Industry*, Industrial Development Division, Department of Economic Planning and Development, July, 1980, p. 13.

[3] N represents the number of observations from registration cards where one card equals one motel party.

Table IV. Average 1979 Tourist/Commercial Party Mix for All Wyoming Motels

Month	Tourists N[1]	Percent	Commercial N[1]	Percent	Total N[1]	Percent
January	471	42.3	643	57.7	1114	100.0
February	477	41.4	675	58.6	1152	100.0
March	533	40.7	777	59.3	1310	100.0
April	620	42.5	839	57.5	1459	100.0
May	733	49.9	737	50.1	1470	100.0
June	872	54.8	718	45.2	1590	100.0
July	832	59.7	561	40.3	1393	100.0
August	1161	65.2	621	34.8	1782	100.0
September	671	56.4	518	43.6	1189	100.0
October	566	50.7	551	49.3	1117	100.0
November	574	45.1	700	54.9	1274	100.0
December	461	39.5	705	60.5	1166	100.0
Total Annual Averages	7971	49.8	8045	50.2	16016	100.0

[1] N represents the number of observations from registration cards where one card equals one motel party.

trip they are taking and individual expenditures of 1980 travelers and tourists. A comparison of 1979 and 1980 individual expenditures will be included in the forthcoming report.

The major states of origin of travelers and tourists are used to identify the Wyoming tourist markets and where promotion of the state may best be targeted. Table V presents the top ten states of origin for 1979 (a gas shortage year) and 1980 (a recession year). As can be seen, there are major differences between the two years, with some of the differences due to different sampling procedures.

The primary destinations of all travelers in Wyoming are presented in Tab[illegible]. The preceeding two tables show that limited regional travel was not the case in the summer months, contrary to the yearly indications of motel patrons in Table III. This suggests that yearly commercial travel is much more regional and so much so that it offsets the major summer trips to and from other parts of the country by other motel parties.

Socioeconomic characteristics of travelers and tourists help to profile the type of people traveling in Wyoming. Table VII presents the income distributions of both Wyoming resident and nonresident travelers. The two distributions are fairly similar and both show that travelers in the state tend to come from higher income groups. The $20,001 to $25,000 range has the highest percentage for both categories. There are more resident travelers in the $10,000 or less categories while there are more nonresident travelers in the $30,001 plus groups. This reflects to some extent that higher income groups can afford to travel further distances.

The other socioeconomic characteristics are considered in detail in the forthcoming report while highlights are presented here. It was found that 16.4 percent of the 1980 traveler sample were government employees while the next highest occupation category was service-related professions at 16.2 percent. The average age of travelers was 40.7 years old and 69.7 percent came from urban areas while 21.7 percent were from nonfarm rural areas and 7.3 percent lived on farms or ranches. High school graduates (12 years) were the highest education percentage group at 32.6 percent followed by college graduates (16 years) at 19.5 percent. The average party size was 3.5 people per party. Party structures showed that 33.6 percent of all parties were composed of two adults with no children followed by [illegible] percent composed of two adults with one or more children.

The sample response also showed that 55.8 percent of all parties were primarily sightseeing, 11[illegible] percent were primarily visiting friends and relatives, 9.8 percent were boating or fishing and only 3.6 percent stated that business considerations were the primary purpose of the trip. The most used mode of travel around the state was cars at 51.7 percent. Of all travelers surveyed, 18 percent were on round trips[1] of 2,001 to 3,000 miles, 14.6 percent traveled 0 to 200 miles and 13.6 percent covered 3,001 to 4,000 miles.

The next two tables show a breakdown across ten business categories of 1980 traveler and tourist expenditures per party per day.[2] Table VIII presents total average expenditures and a comparison between Wyoming resident expenditures and nonresident expenditures. As can be seen, nonresident traveler parties spent an average total of $61.18 per day, nearly twice the resident traveler's $32.66 per day. The only category where Wyoming residents spent more than nonresidents was in liquor stores, at $1.56 per party per day compared to $.84 per party per day for nonresidents. As expected, nonresidents spent more in the other categories and particularly for lodging, auto services, eating and drinking places, clothing stores and general merchandise.

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[1] Round trip miles were calculated as twice the most direct one-way route from state of origin to primary destination plus ten percent.

[2] Note that these tables are expenditures per "party" per day whereas the previous total expenditures were per "person" per day figures.

Expenditures broken down by type of accommodations used are presented in Table IX. Guest ranch and cabin patrons spend the most for lodging while campground users (including recreational vehicle travelers) spend the most for gasoline and other auto services. Guest ranch and cabin users spend the most in eating and drinking places while campers spend the most in food stores. Guest ranch and cabin patrons spend the most for clothing, general merchandise and for entertainment and recreational services. As postulated before, there may be a trend to shift to more campground use and this table reflects that fact. There is a relative overall savings to campground users even though they still spend the most for gasoline.

Conclusions

In 1979, travelers and tourists spent approximately $491.8 million throughout the state. Total expenditures declined by 10.2 percent over the 1978 estimate, which, when adjusted for inflation, is an actual 21.6 percent decline. Of the total tourist-related expenditures made in Wyoming during 1979, hotels and motels captured the greatest amount – $254.6 million, a 22.1 percent decline from the 1978 estimates. Campgrounds garnered $132.4 million, and guest ranches accounted for $13.1 million in receipts from tourists and travelers in 1979.

Far and away the largest group of motel users during 1979 were regional travelers, with Wyoming and its six adjacent states taking seven of the ten positions in the top states of origin. Illinois,

Table V. Top Ten States of Origin of All Tourists and Travelers to Wyoming

	1980 Summer Averages[1]			1979 Summer Averages[2]	
State	N[3]	Percent	State	N[3]	Percent
Wyoming	430	19.5	Colorado	298	10.8
California	167	7.5	California	248	9.0
Utah	141	6.4	Illinois	161	5.8
Colorado	139	6.3	Ohio	101	3.7
Illinois	95	4.3	Nebraska	98	3.5
Minnesota	74	3.3	Minnesota	97	3.5
Texas	62	2.8	Wisconsin	94	3.4
Wisconsin	62	2.8	Texas	89	3.2
Iowa	60	2.7	Wyoming	88	3.2
Ohio	57	2.6	Missouri	85	3.1
All Others	926	41.7	All Others	1407	50.8
Totals	2215	100.0		2766	100.0

[1] Derived from interviewing tourists and travelers throughout Wyoming.

[2] *Wyoming Travel/Tourism Industry*, Industrial Development Division, Department of Economic Planning and Development, July, 1980, p. 71.

[3] N represents the number of parties interviewed.

Table VI. Primary Destinations of All Tourists and Travelers to Wyoming

	1980 Summer Averages[1]			1979 Summer Averages[2]	
State	N[3]	Percent	State	N[3]	Percent
Wyoming	1461	66.0	Wyoming	1597	57.7
California	149	6.7	Colorado	187	6.8
South Dakota	101	4.6	California	143	5.2
Montana	98	4.4	Montana	140	5.1
Canada	69	3.1	Washington	78	2.8
Colorado	65	2.9	South Dakota	55	2.0
Washington	52	2.4	Idaho	52	1.9
All Others	208	9.4	All Others	514	18.5
Blank	12	.5			
Totals	2215	100.0		2766	100.0

[1] Derived from interviewing tourists and travelers throughout Wyoming.

[2] *Wyoming Travel/Tourism Industry*, Industrial Development Division, Department of Economic Planning and Development, July, 1980, p. 72.

[3] N represents the number of parties interviewed.

Table VII. Income Distributions of All Tourists and Travelers to Wyoming – Summer 1980

	Wyoming Residents		Nonresidents	
Income	N[1]	Percent	N[1]	Percent
Under $5,000	29	6.7	87	4.9
$ 5,001 to $10,000	43	10.0	126	7.1
$10,001 to $15,000	48	11.2	199	11.1
$15,001 to $20,000	47	10.9	199	11.1
$20,001 to $25,000	114	26.5	279	15.6
$25,001 to $30,000	51	11.9	264	14.8
$30,001 to $35,000	38	8.8	170	9.5
$35,001 to $40,000	17	4.0	103	5.8
$40,001 to $45,000	7	1.6	60	3.4
$45,001 or more	15	3.5	163	9.1
Blank	21	4.9	135	7.6
Totals	430	100.0	1785	100.0

[1] N represents the number of parties interviewed.

Texas and California round out the total. Occupancy (percentage of available rooms utilized) during the complete year was 60 percent, declining from an estimated 68.7 percent in 1978. Fifty percent of all registration cards sampled (16,000+) for 1979 indicate the traveler as a business representative.

Several pieces of information were gleaned from interviewing over 2,200 parties of travelers and tourists during the summer of 1980. The average size, or number of people in a party, was 3.5. Nonresident parties spent an average of $61.18 per day in the state, while Wyoming residents contributed $32.66 a day when traveling away from home.

Guest ranches accommodated the big spenders; their customers spent an average $101.69 a day per party. Hotel and motel patrons dropped $83.98 per party on a daily basis. And, the average party of campers spent $52.09.

The average age of interviewed parties was 40.7 years, with 69.7 percent of the people in the sample residing in urban areas. The largest income group fell in the $20-25,000 range. Over 55 percent of the travelers and tourists were here to sightsee. And, the largest occupational group was comprised of government employees.

Table VIII. Average Daily Per Party Expenditures of All Tourists and Travelers to Wyoming – Summer 1980

	Wyoming Residents		Nonresidents		Total Average	
Expenditure Categories	N[1]	Dollars	N[1]	Dollars	N[1]	Dollars
Lodging[2]	419	$ 3.85	1714	$12.57	2133	$10.85
Gasoline	419	12.37	1713	17.40	2132	16.41
Auto Services	419	.05	1713	1.14	2132	.93
Eating and Drinking Places	419	4.66	1711	11.51	2130	10.16
Food Stores	419	4.74	1713	5.83	2132	5.62
Drug Stores	419	.16	1713	.23	2132	.22
Liquor Stores	419	1.56	1713	.84	2132	.98
Clothing Stores	419	.02	1713	1.98	2132	1.60
General Merchandise	419	2.63	1712	6.17	2131	5.48
Entertainment and Recreation Services	419	1.16	1718	2.72	2137	2.41
Totals[3]	425	$32.66	1748	$61.18	2173	$55.61

[1] N represents the number of parties interviewed.

[2] Including campground fees where appropriate.

[3] Total N is larger because some parties gave a total expenditures answer but did not break it down into the individual categories.

Table IX. Average Daily Per Party Expenditures by Type of Accommodations Used of All Tourists and Travelers to Wyoming – Summer 1980

	Motel and Hotel Users		All Campground Users		Guest Ranch and Cabin Users	
Expenditure Categories	N[1]	Dollars	N[1]	Dollars	N[1]	Dollars
Lodging	567	$30.74	943	$ 3.61[2]	64	$ 33.44
Gasoline	571	17.35	938	19.80	64	15.53
Auto Services	571	.60	938	.94	64	.03
Eating and Drinking Places	570	21.30	937	5.62	64	26.92
Food Stores	571	2.60	938	8.79	64	3.70
Drug Stores	571	.30	938	.26	64	.17
Liquor Stores	571	.82	938	1.17	64	.42
Clothing Stores	571	2.03	938	1.39	64	5.13
General Merchandise	571	4.57	937	7.37	64	13.55
Entertainment and Recreation Services	572	2.62	941	2.10	64	2.80
Totals[3]	578	$83.98	957	$52.09	64	$101.69

[1] N represents the number of parties interviewed.

[2] Campground fees

[3] Total N may be larger because some parties gave a total expenditures answer but did not break it down into the individual categories.

How Should the Legislators Vote?

THE SEVERANCE TAX ISSUE

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In democratic societies, the belief that legislators should be responsible to the electorate is held without challenge. The nature of this responsibility has never been totally clear, however, and is subject to continuing debate both in political and academic circles. Two representational models, each with roots in America's democratic tradition, have evolved. These models reflect the two basic approaches to representation in legislative bodies.

The "instructed delegate model" holds that legislators should reflect the constituent's opinions in the legislature, and should they fail to do so, they should be defeated in the next election. Undoubtedly, most Wyoming voters feel that their legislators should reflect a district's majority opinion in the State Legislature. However, there are three major problems with this simple conception linking legislator responsibility to the electorate.

First, on many issues, constituents do not have opinions. The Wyoming Legislature considers hundreds of bills each session and few constituents have any knowledge about many of the issues. As one example, the legislature considered a bill concerning beekeeping several years ago. Thus, individual legislation may be important to an industry and to the state, but few voters have an opinion or perceive a personal interest in many legislative matters.

This point is illustrated by findings from a public opinion poll conducted by the Government Research Bureau at the University of Wyoming in 1973. In a statewide survey, respondents were asked if they could recall how at least one of their legislators voted on any bill in the previous legislative session. The poll, which was conducted during the two weeks following the session, found that fewer than 20 percent would even venture an answer and, doubtless, a number of the group that did answer were incorrect. Thus, the evidence suggests that few people pay close attention to the legislature and whenever this is the case the instructed delegate model is of limited utility.

A second problem with the "instructed delegate model" of representation focuses on communication between the electorate and the legislators. At issue is the question of how legislators can determine what the majority opinion is on those legislative questions for which the voters hold opinions. Common methods are talking directly with constituents, reading constituent mail, consulting editorial opinion and so on. However, there is no guarantee that any of these will accurately reflect constituency will. Public opinion polling is the surest way to determine voter sentiments, but polls are expensive and frequently too slow to meet the demands of the legislative timetable.

The third problem with this model, and its relevance as a guide for public policy making, focuses on the distribution of public opinion on a particular issue. On controversial issues which are salient to constituents, public opinion will typically be split between the factions supporting and opposing legislative action on the issue. The "instructed delegate" is therefore left without policy direction in such circumstances.

Edmund Burke developed a counter to the instructed delegate model of representation some 200 years ago. Burke, who was a member of the British House of Commons from Bristol, England, believed that the legislator should attempt to do what was best for the entire nation. In this "trustee model," it was the duty of the legislator to decide in favor of the nation if a conflict arose between constituent sentiments and the national good. Burke declared that constituent instructions ". . . which the member is bound blindly and implicitly to obey, to vote, and to argue for, though contrary to the clearest convictions of his judgment and conscience – these things are utterly unknown to the laws of the land. . . ." Burke went on to state that even though a constituency does choose the legislator, once chosen, ". . . he is not a member of Bristol, but he is a member of Parliament. If the local constituency should have an interest or should form an hasty opinion evidently opposite to the real good of the rest of the community, the member for that place ought to be as far as any other from any endeavor to get it effect [sic]."

Burke's "trustee model" of representation may be appealing to legislators since it takes into account his or her own perception of the public good and, in addition, provides the individual legislator more flexibility than the instructed delegate model. Logically, the Burkean model is not always popular with constituents who believe that their conception of the public good is as valid as that of the legislator. Burke, in fact, was defeated soon after he set forth his conception of legislative representation.

In summary, what do the two models suggest in terms of policy guidance and electoral consequences for legislators? The instructed delegate model theoretically furnishes substantial policy guidance and offers positive prospects for the legislatoıs reelection. In reality, however, policy direction is not always clear and reelection somewhat uncertain because of the electorate's lack of concern and communication problems between the voters and the legislator. The trustee model, at least in theory, provides neither policy guidance (since the legislator determines the public good) nor does it offer long term prospects for reelection (since the legislator's idea of the public good may conflict with that of the electorate). But in practice, if the electorate does not hold firm policy positions and if communication between the electorate and the legislator is not clear, chances of electoral punishment is unlikely.

It is apparent that the nature of legislative issues determines, in large measure, whether or not the instructed delegate model provides policy guidance to legislators and ensures electoral success. If the issues are of low salience to the voters and/or the voters are not aware of the law makers' actions, the model is inappropriate. An example which fits the instructed delegate model is the Equal Rights Amendment in Utah. The great majority of voters are opposed to the amendment and it is an issue which is highly salient. Voters would presumably become more aware of a legislator who voted in favor of the amendment and the electoral consequences would be voter rejection at the polls.

It is equally apparent that the Burkean trustee model is most appropriate where legislators are confronted with important issues regarding the public good but which are not salient to the people. Here, the legislator is able to use his or her best judgment without fear of electoral reprisal. Most budget items fit the trustee model well; such issues are of great consequence but generate little public discussion and, therefore, the legislator is free to vote as he or she sees fit.

Energy tax policy (along with water policy) was one of the most debated political issues which faced the Wyoming Legislature during the 1970s. The state's coal severance tax increased from 1 percent to 10.5 percent during this decade and the 1980 legislative session will consider not only additional proposals to increase the severance tax on coal but Governor Herschler's proposal to increase the tax on oil and gas as well. A decade of legislative debate on energy tax policy and continued public debate on severance tax increases provides a political context to assess the appropriateness of the two representational models regarding future legislative action on this question.

How well does the energy tax policy issue – the proposed increases in the state's severance taxes – lend itself to either conception of representation? This question was examined extensively in the 1980 Wyoming Election Year Survey, a pre- and post-election poll of over 1,415 residents sampled statewide. In the preelection interview, those who indicated that they would vote in the November 4th election were asked: "During the past several years, there has been a great deal of discussion about increasing the state coal severance tax. Do you think the present 10.5 percent coal severance tax should be increased, left the same, decreased, or don't you have an opinion on the issue?" Then, in the postelection telephone callback, those same respondents were asked: "Governor Herschler has proposed an increase in the state's severance tax on oil and gas from 4 percent to 7 percent. Do you favor or oppose the governor's proposed tax increase on oil and gas, or are you undecided on the issue?"

Responses to these two questions, in addition to demonstrating the public's preferences, also illustrate the proportion of individuals who hold opinions on the severance tax issues. As shown in Table 1, 77.1 percent of the respondents held an opinion about increasing the coal severance tax while 70.0* percent of those questioned had an opinion on the proposal to increase the tax on oil and gas.

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*Figure based on preliminary analysis of telephone call-back of 1,000 respondents to the preelection survey.

Thus, among those intending to vote, only two or three persons in 10 did not hold an opinion on the two proposals to increase the state's severance taxes. This figure is quite high, even for an issue that has been discussed with such intensity over the years by its proponents and opponents. The point which we wish to emphasize is, however, that those persons who do not hold opinion provide no specific policy direction to legislators.

Next, we can turn to those respondents who did hold opinions on the severance tax proposals and examine their preferences. A further examination of Table 1 reveals a lack of consensus or majority opinion on the severance tax questions among persons intending to vote. Results from the 1980 survey found that a plurality favored increases on coal as well as oil and gas, but significant numbers also opposed any increases. And, as noted earlier, a large percentage simply did not have an opinion on either proposal.

Three questions were included in the survey which shed some light on the lack of consensus found among Wyoming residents on the tax increase proposals. These findings are illustrated in Table 2. First, respondents were asked whether or not the state needed more tax revenue to meet future governmental needs. A near majority – 49.7 percent – rejected the contention that additional revenue was needed while 34.7 percent concurred that more money is necessary. (See "Wyoming's Local Governments – Where's the Money?" which relates to future revenue needs.)

Second, respondents were asked whether they agreed with Governor Herschler's conclusion that the mineral industry is not paying its fair share of taxes because of the socioeconomic impact caused by the industry. A majority - 51.9 percent – agreed with the Governor's assessment while 22.1 percent disagreed and the remaining 26.0 percent held no opinion. Third, respondents were also asked who they believed would pay for the bulk of any increase in the coal severance tax; nearly one-half of those questioned indicated that they believed that the tax burden would be passed on to out-of-state consumers while less than one-third believed that Wyoming residents would bear the increased burden. One-quarter had no opinion on this issue.

Table 1.

During the past several years, there has been a great deal of discussion about increasing the state coal severance tax. Do you think the present 10.5 percent coal severance tax should be:

	INCREASED	LEFT SAME	REDUCED	DON'T KNOW
Statewide	41.3%	32.3%	3.5%	22.9%
Party Registration				
Republican	36.2	36.6	3.4	23.8
Democratic	52.0	24.1	2.8	21.1
Independent	39.5	29.6	6.1	24.8
Political Ideology				
Liberal	55.6	26.5	2.4	15.5
Middle of Road	42.7	29.1	3.3	24.9
Conservative	35.9	38.2	4.1	21.8
Income				
Less than $15,000	38.6	29.8	3.4	28.2
$15,000 – $27,000	42.4	32.5	4.2	20.9
More than $27,000	42.8	35.1	3.6	18.5
Education				
HS or Less	36.2	30.8	3.7	29.3
Some College	39.9	35.1	3.3	21.7
College Graduate	51.6	29.6	3.6	15.2
Age				
18 – 29	43.1	30.0	4.0	22.9
30 – 45	44.8	32.8	3.0	19.4
46 – 64	43.0	33.2	4.5	19.3
65 & Older	29.5	33.8	2.9	33.8
Presidential Choice				
Carter	55.0	20.3	4.5	20.2
Reagan	36.8	38.8	2.9	21.5
Anderson	44.6	32.3	0.7	22.4
Other	32.9	35.5	12.5	19.1
Selected Counties				
Albany	66.9	13.0	1.9	18.2
Fremont	30.3	44.7	3.8	21.2
Laramie	44.0	29.9	3.7	22.4
Natrona	37.8	40.5	3.4	18.3
Sheridan	36.6	36.6	3.6	23.2
Sweetwater	37.4	28.6	3.3	30.7

The final facet in the linkage between electorate opinion and legislators' decisions focuses on the salience with which the voters hold their opinions. It is difficult to measure salience directly. A useful indirect measure would be to determine whether the respondent's opinion influences his or her voting behavior. There is ample evidence which suggests that the coal severance tax issue played a central role in the reelection of Governor Herschler in 1978. For instance, one out of four Republicans voted for the Democratic governor, and about three-fourths of these party defectors favored the governor's plan to increase the coal severance tax.

Wyoming did not have a comparable statewide election contest in 1980. However, we did ask the respondents whether they would be more or less likely to vote for a legislative candidate who favored an increase in the coal severance tax. Only one-third – 31.0 percent – said that they would be more likely to vote for a candidate who favored increasing the tax while 19.0 percent said they would be less likely to support such a candidate. The remainder indicated that a candidate's stand on the severance tax issue would not influence their vote. Thus, for a majority of Wyoming residents, the severance tax issue is apparently salient enough to influence voting decisions on legislative candidates, though the direction is not consistent.

In summary, a plurality favored an increase in the state's severance tax both

Table 2.

Some people in the state say we need more tax revenue to meet future governmental needs, while others say we don't need more money. What about you? Do you think Wyoming:

34.7%	Needs additional tax money
49.7	Does not need more tax money
15.6	No opinion/don't know
100.0%	

Governor Herschler has said that the mineral industry is not paying its fair share of taxes because of the socioeconomic impacts caused by the industry. How do you feel about this? Do you:

51.9%	Agree
22.1	Disagree
26.0	No opinion/don't know
100.0%	

If Wyoming's severance tax on coal were increased from the present 10.5 percent, who do you believe would pay the bulk of the increase?

28.7%	Wyoming residents
47.7	Out-of-state residents
23.6	No opinion/don't know
100.0%	

Are you more likely or less likely to vote for a candidate for the Wyoming State Legislature who favors increasing the state's coal severance tax, or will this issue not influence your vote?

31.0%	More likely
19.0	Less likely
43.1	No difference
6.9	Don't know
100.0%	

on coal as well as on oil and gas, though a majority either opposed an increase or were undecided on the issue. Reasons for the lack of a majority opinion presumably are related to differing opinions about whether the state needs additional tax revenue, differences over whether the mineral industry is paying its fair share of taxes, and, finally, differences over whether Wyoming residents will pay the increased tax burden. Finally, it would appear that the proposal to increase the coal severance tax is sufficiently salient for a majority of the electorate that it would influence their voting decisions in legislative races.

We have discussed electorate opinion on a statewide basis but, of course, legislators are not elected statewide. Therefore, it is important to consider electorate opinion on a county-by-county basis. To get an accurate measure of opinion held by those living in a single county, at least 100 persons must be interviewed (using a random sampling strategy). Because the number of interviews conducted in each county is based upon population, only in six Wyoming counties were 100 or more persons interviewed in the 1980 survey. These include Albany, Fremont, Laramie, Natrona, Sheridan, and Sweetwater – the six largest counties in the state.

As shown in Table 1, there is considerable variation for support of an increased coal severance tax. In Albany County, one finds the greatest support for such an increase; the increase was supported by two-thirds of those polled. In two other counties – Laramie and Sweetwater – a plurality favored an increase in the coal tax. However, in Fremont and Natrona counties, 1980 survey results indicate that a plurality favor, leaving the coal severance tax at its present level – neither increasing nor lowering it. Sheridan County residents were equally divided over increasing the tax and leaving it at the 10.5 percent level.

In at least one county, then, there is a majority opinion or consensus which would appear to provide voting direction for state legislators representing those persons. If legislators from Albany County follow the instructed delegate model, they will certainly support an increase in the severance tax. Likewise, legislators following this model in Fremont, Natrona and Sheridan counties will certainly vote against such an increase. In the other counties where we have data, the findings do not provide clear direction to state legislators representing these counties.

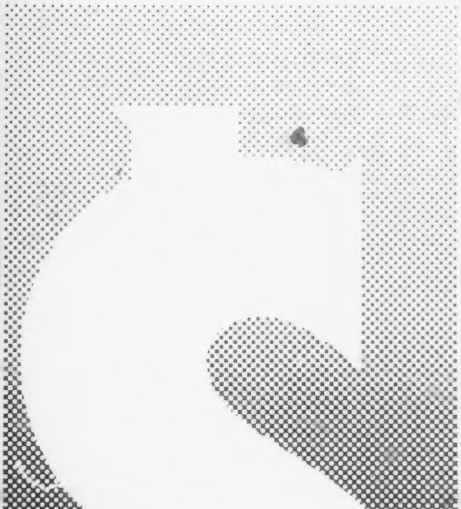
Finally, legislators may be interested in how closely the electorate follows their legislative voting records on issues as salient as the severance tax question. In an attempt to explore this topic, respondents were asked whether they could recall the names of any legislator in their county who generally opposed increases in the coal severance tax or who had voted against such increases in the legislature. Only 17.0 percent of the respondents made an attempt to recall such a name, though some gave several names. This finding, coupled with the information previously discussed on voter recall of legislative records, leads one to conclude that the voters have not paid particularly close attention to the voting records of their legislators in Cheyenne – even on an issue as controversial and as salient as the coal severance tax increase.

What does this distribution of public opinion signify for the two models of representation – the instructed delegate model and the trustee model? For the instructed delegate, it means that although there is some policy direction in most counties – both from the 1980 Wyoming Election Year Survey and legislator/voter contact – in most counties that direction is not clear. In addition, although a majority claim a position on the severance tax increase would influence their decision to vote for an individual legislator, the evidence from other questions on the survey puts this contention in doubt.

For the legislator adopting the trustee model, the chances of running afoul of constitutents in most counties is highly problematic – regardless of whether he or she supports or opposes an increase in the severance tax. When there is not overwhelming consensus on an issue and when a significant portion of the electorate is not watching, the legislator who votes according to his or her best assessment of the larger public good should have little fear that legislative voting will be the cause of defeat at the polls in 1982.

ECONOMIC INDICATORS

WYOMING'S ECONOMY BEGINS UPSWING



In general, Wyoming's economy began an upswing following last quarter's drop.

Employment statistics have not followed this trend, and the drop continues, but not at the same rate as before. The total civilian labor force rose in absolute numbers but dropped somewhat when seasonally adjusted. Wyoming maintained its .225 percent of the total labor force. Employment followed the same pattern, rising in actual numbers but showing a fall in seasonally adjusted numbers. The unemployment rate continues to rise but at a slower rate than in the past two quarters. Both agricultural and nonagricultural employment increased.

Wages and employment opportunities showed mixed trends. Average weekly earnings topped $400 for the first time. Weekly hours also increased, as did hourly earnings. Nonagricultural job placements increased to an actual of 9,218, or 7,675 when seasonally adjusted. Unemployment insurance claims also dropped in absolute numbers but rose when seasonally adjusted. Help wanted advertisements continue to fall.

Personal income continues to rise, and at a rate well above that of the Consumer Price Index. Gasoline prices seem to have leveled off, at least temporarily. New car and truck registrations rose from last quarter but are still below one year ago. Sales and use tax collections fell 9.8 percent from last quarter.

The number of bankruptcies fell 26.9 percent in the third quarter. Business failures and values of business failures both rose. The number of new corporations fell slightly from last quarter.

Deposits in Wyoming banks rose in the third quarter, as did the amount of loans made.

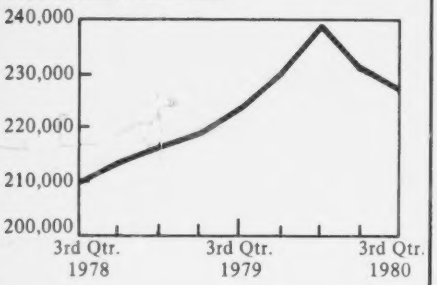
Wyoming agriculturalists regained some lost buying power this quarter, as the index of prices received rose faster than the index of prices paid. Timber cut in the national forests continues to decline.

Wyoming's tourism industry is showing the effects of inflation as summer visitation rates for Yellowstone and Teton National Parks have fallen each summer the past three years.

Utility consumption also fell in the third quarter, except for telephone connections, which continued an upward trend.

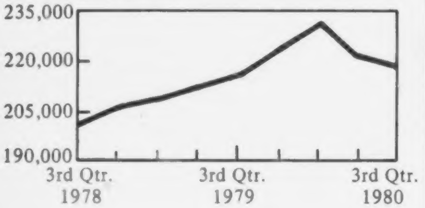
Employment

Total Civilian Labor Force



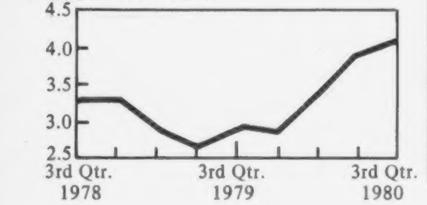
	Actual
July	239,815
Aug.	241,825
Sept.	242,687
3rd Quarter '80	
Average Actual	241,442
Average Seasonally Adjusted	227,775
Percent change, seasonally adjusted basis from	
3rd Quarter '79	1.7%
3rd Quarter '80	−1.7%
3rd Qtr. actual as percent of U.S. actual	.225%

Total Employment[1]



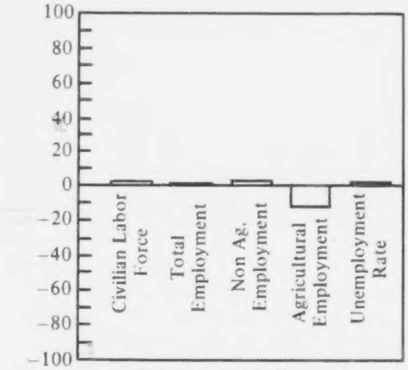
	Actual
July	231,134
Aug.	233,770
Sept.	234,919
3rd Quarter '80	
Average Actual	233,274
Average Seasonally Adjusted	219,037
Percent change, seasonally adjusted basis from	
3rd Quarter '79	.7%
2nd Quarter '80	−1.8%
3rd Qtr. actual as percent of U.S. actual	.238%

Unemployment Rate (%)



	Actual
July	3.6
Aug.	3.3
Sept.	3.2
3rd Quarter '80	
Average Actual	3.4
Average Seasonally Adjusted	4.1
Point change, seasonally adjusted basis from	
3rd Quarter '79	1.2
2nd Quarter '80	.2
3rd Qtr. actual as percent of U.S. actual	44.7%

Employment



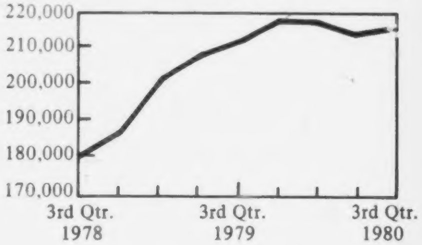
Employment Indicators
Annual Percentage Change

Wyoming's total civilian labor force continued the downward trend begun last quarter, falling another 1.7 percent. The annual growth figure still showed positive gains but at a slower rate than before. The rate of growth was 1.7 percent on an annual basis, down from 10.8 percent in the first quarter of 1980.

Total employment rose in absolute numbers to 233,274 but dropped 1.8 percent from last quarter to 219,037 when seasonally adjusted. The annual growth rate was positive but small at .7 percent, down from 10.1 percent the first quarter of 1980. Total nonagricultural employment seems to have reversed the downward trend of the past two quarters. The seasonally adjusted figure rose to 215,104, .6 percent more than last quarter and 1.9 percent more than one year ago. The third quarter actual nonagricultural employment is .236 percent of the U.S. actual. Agricultural employment has also risen since the sharp drop in the second quarter. The seasonally adjusted figure of 13,396 is 4.2 percent above last quarter. The effects of the drop last quarter have left their impact, as the current agricultural employment is 11.7 percent lower than one year ago. Wyoming agricultural employment as a percent of the U.S. total continues to climb from the low of 3.73 percent in the first quarter of 1980, but at .458 percent is still below the .515 percent level of one year ago.

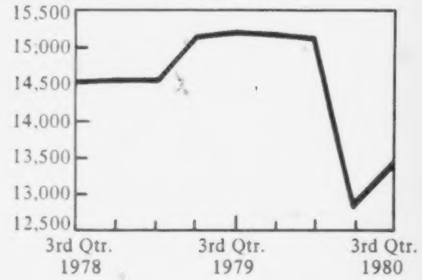
The Wyoming unemployment rate continues to be far below the U.S. average. The actual figures show a 3.4 percent unemployment rate which rises to 4.1 percent when adjusted for seasonality factors. This is a .2 point change from last quarter and 1.2 points higher than last year. The Wyoming unemployment rate (unadjusted) is 44.7 percent of the U.S. average of 7.6 percent.

Total Nonagricultural Employment[1]



	Actual
July	219,800
Aug.	223,100
Sept.	225,000
3rd Quarter '80	
Average Actual	222,633
Average Seasonally Adjusted	215,104
Percent change, seasonally adjusted basis from	
3rd Quarter '79	1.9%
2nd Quarter '80	.6%
3rd Qtr. actual as percent of U.S. actual	.236%

Total Agricultural Employment



	Actual
July	15,476
Aug.	17,722
Sept.	17,722
3rd Quarter '80	
Average Actual	16,973
Average Seasonally Adjusted	13,396
Percent change, seasonally adjusted basis from	
3rd Quarter '79	−11.7%
2nd Quarter '80	4.2%
3rd Qtr. actual as percent of U.S. actual	.458%

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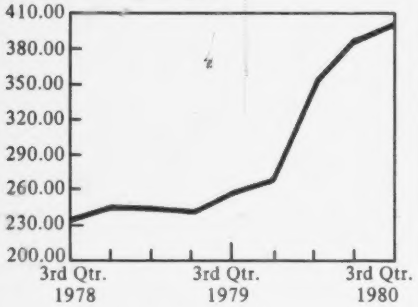
[1] Total Agricultural and Total Nonagricultural Employment may not equal Total Employment due to data gathering differences.

All data are preliminary. Revisions appear in past quarterly trend data.

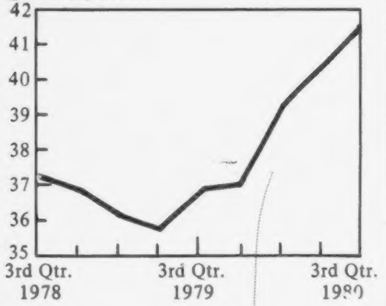
Wages and Employment Opportunities

Average Weekly Earnings ($)



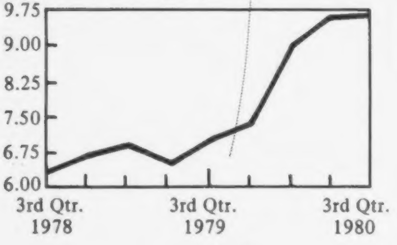
	Actual
July	400.15
Aug.	402.14
Sept.	402.41
3rd Quarter '80	
Average Actual	401.57
Percent change, actual basis from	
3rd Quarter '79	54.7%
2nd Quarter '80	4.4%

Average Weekly Hours



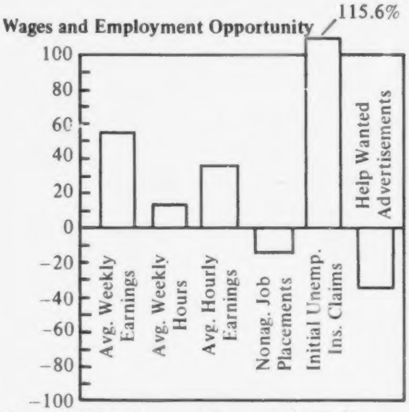
	Actual
July	41.9
Aug.	41.5
Sept.	41.4
3rd Quarter '80	
Average Actual	41.6
Percent change, actual basis from	
2nd Quarter '79	13.0%
3rd Quarter '80	3.20%

Average Hourly Earnings ($)



	Actual
July	9.55
Aug.	9.69
Sept.	9.72
3rd Quarter '80	
Average Actual	9.65
Percent change, actual basis from	
3rd Quarter '79	36.7%
2nd Quarter '80	1.0%

Wages and Employment Opportunity



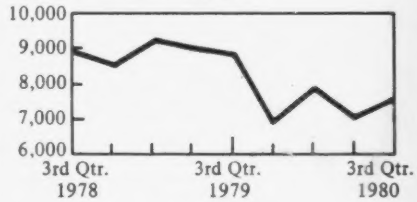
Wages and Employment Opportunity Indicators
Annual Percentage Change

Wages in Wyoming continue to rise. Average weekly earnings exceeded the $400.00 mark this quarter. The average weekly earnings for the third quarter were $401.57, up 54.7 percent from one year ago. The quarterly growth seems to have slowed somewhat from the big jump of 30.6 percent between the fourth quarter of 1979 and the first quarter of 1980. This quarter's growth of 4.4 percent is less than half of last quarter's 8.9 percent growth. This high weekly wage is a result of the continually growing hourly wage and a high weekly hours figure. The hourly wage, at $9.65 is 36.7 percent above last year. Average weekly hours for the third quarter of 1980 were up 13.0 percent from last year to 41. hours. All three of these indicators show new nine quarter highs, continuing a trend seen since the second quarter of 1980.

Nonagricultural job placements are up 9.1 percent from last quarter, though down 13.7 percent from one year ago. The drop in help wanted advertisements also illustrates the difficulty in finding jobs. The number of advertisements is down 23.9 percent from last quarter and 35.3 percent below one year ago.

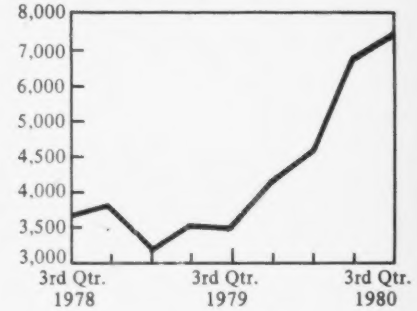
The months of July, August, and September also saw an increase in the number of initial unemployment insurance claims. The seasonally adjusted figure rose from 6,773 in the second quarter to 7,580 in the third quarter – a rise of 11.9 percent. This is 115.6 percent above the 3,516 claims filed one year ago.

Nonagricultural Job Placements



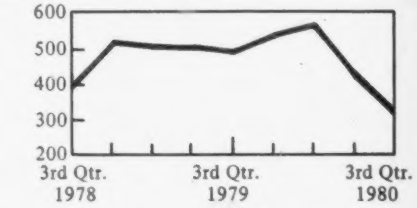
	Actual
July	2,920
Aug.	2,690
Sept.	3,608
3rd Quarter '80	
Total Actual	9,218
Total Seasonally Adjusted	7,675
Percent change, seasonally adjusted basis from	
3rd Quarter '79	−13.7%
2nd Quarter '80	9.1%

Initial Unemployment Insurance Claims



	Actual
July	2,051
Aug.	1,331
Sept.	1,361
3rd Quarter '80	
Total Actual	4,745
Total Seasonally Adjusted	7,580
Percent change, seasonally adjusted basis from	
3rd Quarter '79	115.6%
2nd Quarter '80	11.9%

Help Wanted Advertisements

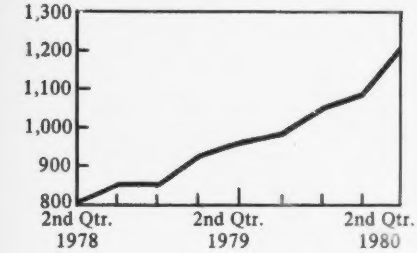


	Actual
July	283
Aug.	488
Sept.	411
3rd Quarter '80	
Average Actual	394
Average Seasonally Adjusted	329
Percent change, seasonally adjusted basis from	
3rd Quarter '79	−35.3%
2nd Quarter '80	−23.9%

All data are preliminary.
Revisions appear in past quarterly trend data.

Consumers

Total Personal Income ($1,000,000)



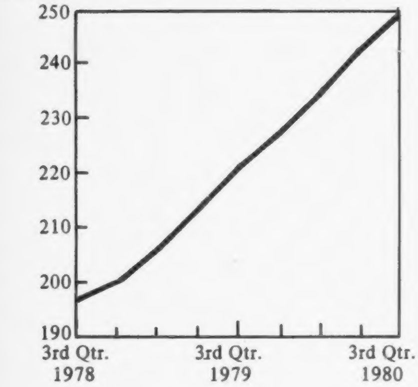
	Actual
April	384
May	398
June	418
2nd Quarter '80	
Total Actual	1,200
Total Seasonally Adjusted	1,202

Percent change, seasonally adjusted basis from

2nd Quarter '79	25.6%
1st Quarter '80	10.6%

2nd Qtr. actual as percent of U.S. actual .228%

U.S. Consumer Price Index (1967 = 100)

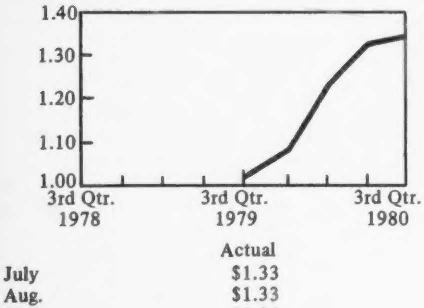


	Actual
July	248.0
Aug.	249.6
Sept.	251.9
3rd Quarter '80	
Average Actual	249.8

Point change, actual basis from

3rd Quarter '79	28.3
2nd Quarter '80	4.6

Gasoline Prices

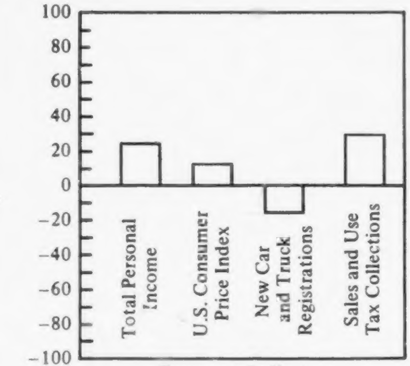


	Actual
July	$1.33
Aug.	$1.33
Sept.	$1.34
3rd Quarter '80	
Average Actual	$1.34

Percent change, actual basis from

3rd Quarter '79	30.7%
2nd Quarter '80	1.1%

Consumers



Consumer Indicators
Annual Percentage Change

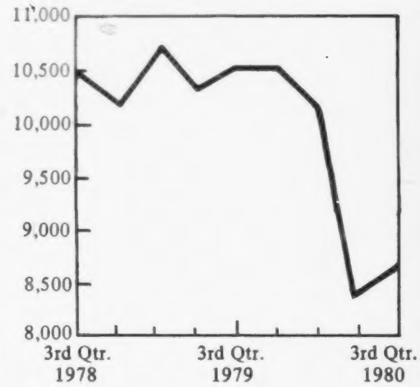
Wyomingites' growth in total personal income continues to outstrip inflation. The growth in personal income in the second quarter of 1980 was 10.6 percent from the previous quarter. The quarterly rise in the consumer price index was 3.6 percent for that time period. The Wyoming figure as a percent of the U.S. total rose substantially for this time period from .200 to .228 percent. The consumer price index for the third quarter rose to 249.8, a 28.3 point rise from one year ago. This represents a 12.8 percent rise. The quarterly jump of 4.6 points represents a 1.9 percent change.

The Wyoming Cost of Living Index (WCLI) is determined by the Research and Statistics Division of the Department of Administration and Fiscal Control. It is similar to the U.S. Consumer Price Index, but uses a different market basket and different definitions in computation. The overall inflation rate for Wyoming for the third quarter was 12.6 percent, measured from the same time last year. Medical costs rose the fastest with a rate of 15.28 percent followed by transportation – 12.89 percent, food – 12.86 percent, housing – 12.68 percent, apparel – 11.45 percent, and recreation – 10.65 percent. The southwest showed the highest inflation rate followed by the northeast, central, southeast, and northwest. The WCLI also gives the inflation rate for Lakewood, Colorado as being 16.56 percent for comparison. Once again, Jackson is the most expensive community in the WCLI survey of 23 communities (one from each county).

Sales and use tax collections fell 9.8 percent from the second quarter, but show a gain of 29.2 percent over this time last year.

New car and truck registrations rose 3.9 percent after the drastic drop of last quarter. The seasonally adjusted total of 8,707 is 16.9 percent below the figure of one year ago. Gasoline prices have stabilized after rapid increases early in the year. The average price per gallon of unleaded fuel in a full service gas station is now $1.34.

New Car and Truck Registrations

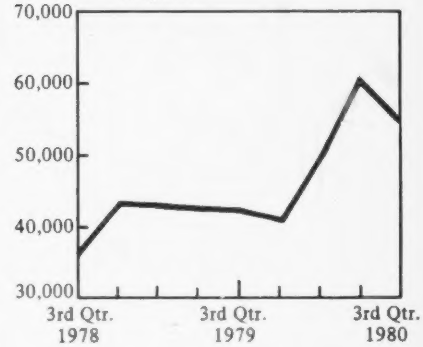


	Actual
July	3,574
Aug.	2,706
Sept.	2,932
3rd Quarter '80	
Total Actual	9,212
Total Seasonally Adjusted	8,707

Percent change, seasonally adjusted basis from

3rd Quarter '79	−16.9%
2nd Quarter '80	3.9%

State Sales and Use Tax Collections ($1,000)



	Actual
July	19,532
Aug.	19,459
Sept.	19,994
3rd Quarter '80	
Total Actual	58,985
Total Seasonally Adjusted	54,819

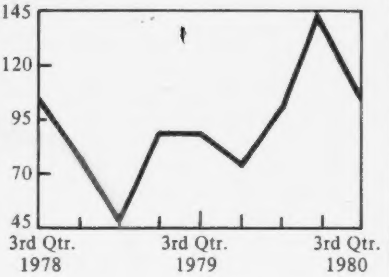
Percent change, seasonally adjusted basis from

3rd Quarter '79	29.2%
2nd Quarter '80	− 9.8%

All data are preliminary.
Revisions appear in past quarterly trend data.

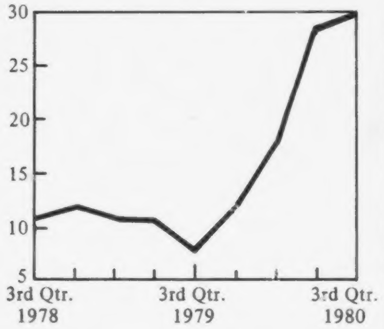
Business Conditions

Bankruptcies



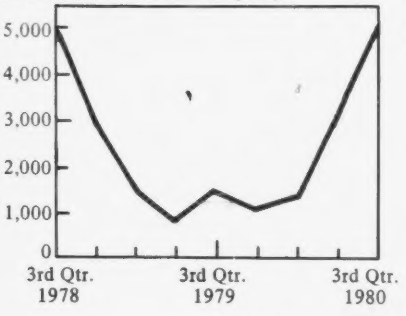
	Actual
July	33
Aug.	43
Sept.	30
3rd Quarter '80	
Total Actual	106
Percent change, actual basis from	
3rd Quarter '79	19.1%
2nd Quarter '80	−26.9%

Number of Business Failures



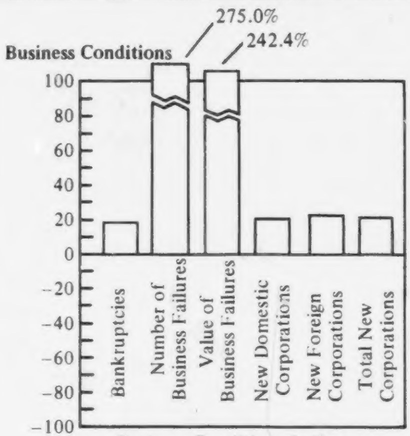
	Actual
July	9
Aug.	11
Sept.	10
3rd Quarter '80	
Total Actual	30
Percent change, actual basis from	
3rd Quarter '79	275.0%
2nd Quarter '80	7.1%

Value of Business Failures ($1,000)



	Actual
July	1,162
Aug.	1,023
Sept.	2,913
3rd Quarter '80	
Total Actual	5,098
Percent change, actual basis from	
3rd Quarter '79	242.4%
2nd Quarter '80	70.8%

Business Conditions



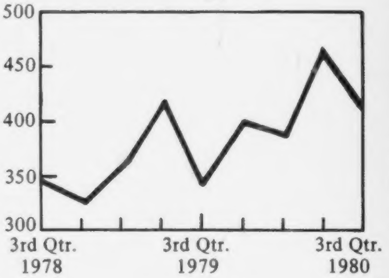
Business Conditions Indicators
Annual Percentage Change

The number of new corporations formed in Wyoming fell slightly from the second quarter's two year high to 666. This represents a 1.5 percent drop in this time period. The annual figure shows a rise of 22.2 percent from last year. Of these new corporations, 413 were formed by Wyomingites (domestic corporations), and 253 were formed out-of-state. The number of domestic corporations is a 10.8 percent drop from the number formed during the second quarter. This is still 21.5 percent higher than the 340 formed during the third quarter of 1979. The number of foreign corporations has risen in both the quarterly and the annual computations, rising 18.8 percent over the second quarter and 23.4 percent over the figure of one year ago.

The number of bankruptcies fell 26.9 percent from the second quarter to 106. This is 19.1 percent higher than one year ago and is second in magnitude only to last quarter's 145 on our nine month chart. The number of business failures rose 7.1 percent over last month to a new nine quarter high of 30. This is 275 percent more than just one year ago. The value of those business failures also hit a new high of $5,098,000. This amount is 70.8 percent higher than last quarter, implying that larger businesses failed compared to last quarter. The value of the business failures is 242.4 percent higher than just one year ago.

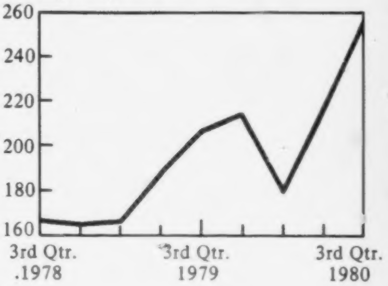
All data are preliminary.
Revisions appear in past quarterly trend data.

New Domestic Corporations



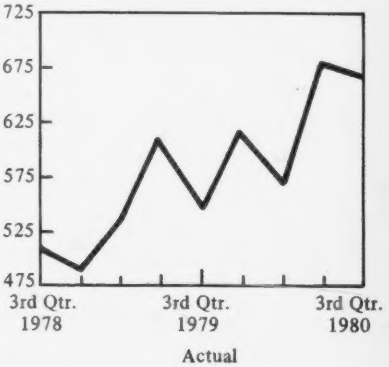
	Actual
July	155
Aug.	110
Sept.	148
3rd Quarter '80	
Total Actual	413
Percent change, actual basis from	
3rd Quarter '79	21.5%
2nd Quarter '80	−10.8%

New Foreign Corporations



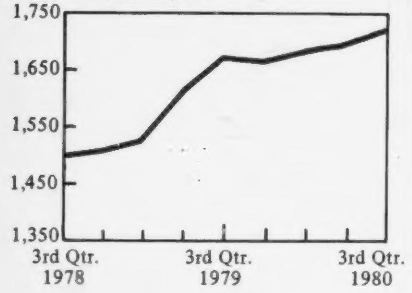
	Actual
July	81
Aug.	101
Sept.	71
3rd Quarter '80	
Total Actual	253
Percent change, actual basis from	
3rd Quarter '79	23.4%
2nd Quarter '80	18.8%

Total New Corporations



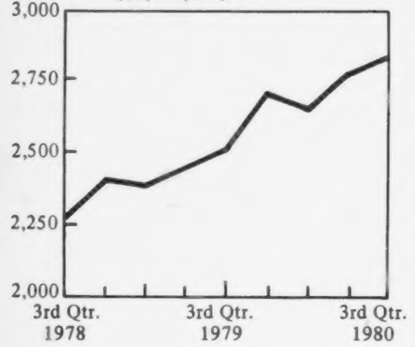
	Actual
July	236
Aug.	211
Sept.	219
3rd Quarter '80	
Total Actual	666
Percent change, actual basis from	
3rd Quarter '79	22.2%
2nd Quarter '80	− 1.5%

Finance



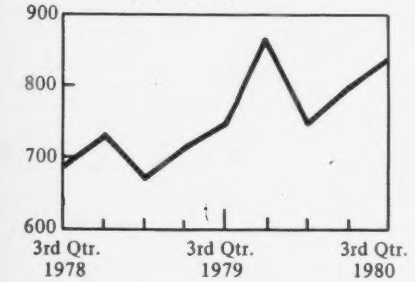
Total Loans – State and National Banks ($1,000,000)

	Actual
3rd Quarter '80	
Total Actual	1,723
Percent change actual basis from	
3rd Quarter '79	3.3%
2nd Quarter '80	2.0%



Total Deposits – State and National Banks ($1,000,000)

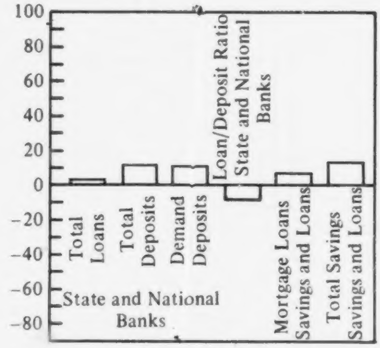
	Actual
3rd Quarter '80	
Total Actual	2,826
Percent change, actual basis from	
3rd Quarter '79	12.6%
2nd Quarter '80	2.6%



Demand Deposits – State and National Banks ($1,000,000)

	Actual
3rd Quarter '80	
Total Actual	839
Percent change, actual basis from	
3rd Quarter '79	12.0%
2nd Quarter '80	5.3%

Finance

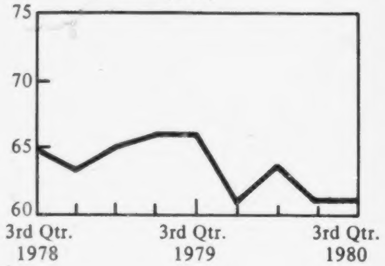


Finance Indicators
Annual Percentage Change

Total loans rose to a new nine quarter high in the third quarter of 1980. This new high is 3.3 percent more than one year ago and 2.0 percent more than last quarter. Total deposits also reached a nine quarter high, with a rise of 12.6 percent from last year and 2.6 percent more than last quarter. The loan/deposit ratio is 61, unchanged from last quarter. The ratio of 66 from one year ago means an annual fall of 7.6 percent.

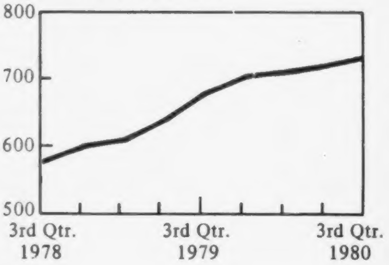
Demand deposits continue the rise begun last quarter. The figure is 5.3 percent higher than last quarter, and 12.0 percent more than one year ago.

Mortgage loans continue to rise to a new high of $737 million. This is 8.1 percent greater than last year and 3.1 percent more than last quarter. Total savings also gained from last quarter – 2.3 percent. The annual growth rate was 14.4 percent.



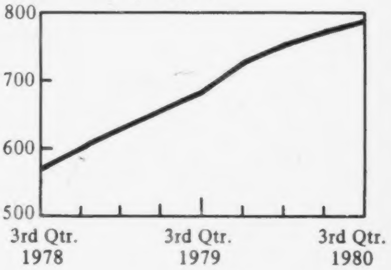
Loan/Deposit Ratio – State and National Banks (0.00)

	Actual
3rd Quarter '80	
Ratio Actual	61
Percent change, actual basis from	
3rd Quarter '79	–7.6%
2nd Quarter '80	0.0%



Mortgage Loans – Savings and Loan Institutions ($1,000,000)

	Actual
July	723
Aug.	735
Sept.	752
3rd Quarter '80	
Average Actual	737
Percent change, actual basis from	
3rd Quarter '79	8.1%
2nd Quarter '80	3.1%



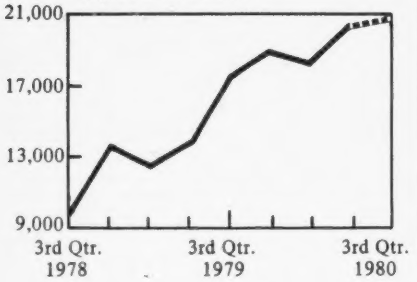
Total Savings – Savings and Loan Institutions ($1,000,000)

	Actual
July	767
Aug.	788
Sept.	810
3rd Quarter '80	
Average Actual	788
Percent change, actual basis from	
3rd Quarter '79	14.4%
2nd Quarter '80	2.3%

All data are preliminary.
Revisions appear in past quarterly trend data.

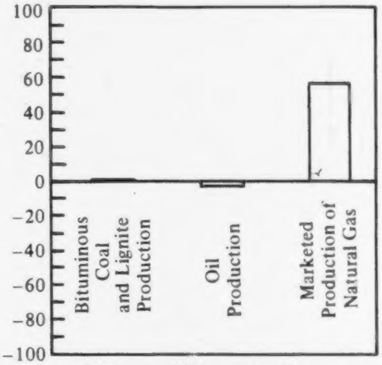
Mining and Minerals

Bituminous Coal and Lignite Production (1,000 Short Tons)



	Actual
July	6,800[1]
Aug.	7,000[1]
Sept.	7,200[1]
3rd Quarter '80	
Total Actual	21,000[1]
Total Seasonally Adjusted	20,792[1]
Percent change, seasonally adjusted basis from	
3rd Quarter '79	.8%[1]
2nd Quarter '80	17.7%[1]
3rd Qtr. actual as percent of U.S. actual	9.43%[1]

Mining and Minerals



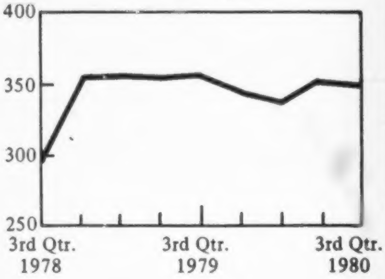
Mining and Minerals Indicators
Annual Percentage Change

The mining and minerals statistics for coal and natural gas this quarter are estimates, as data usually used are unavailable. The actual numbers will be included in a later issue.

The production of Wyoming coal is rising due to increased national exploration.

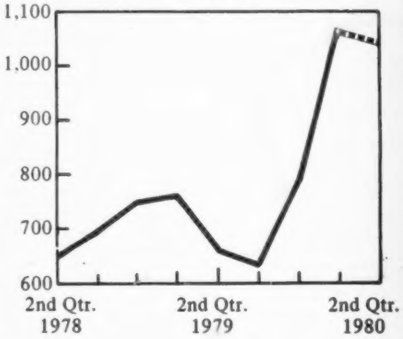
The statistics for natural gas for May and June are correct. The June figures show a rise from the previous quarter average while the May figure is a drop.

Oil Production (1,000 BBLS/Day)



	Actual
July	350
Aug.	349
Sept.	349
3rd Quarter '80	
Average Actual	349
Percent change, actual basis from	
3rd Quarter '79	−3.1%
2nd Quarter '80	− .6%
3rd Qtr. actual as percent of U.S. actual	4.01%

Marketed Production of Natural Gas (MMCF/Day @ PSIA, 63°F)



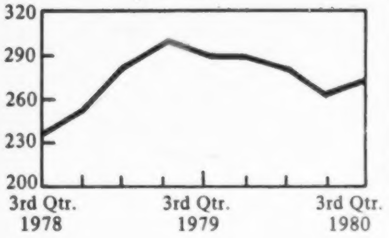
	Actual
April	1,071[1]
May	939
June	1,107
2nd Quarter '80	
Average Actual	1,039[1]
Percent change, actual basis from	
2nd Quarter '79	57.4%[1]
1st Quarter '79	− 3.0%
2nd Qtr. actual as percent of U.S. actual	1.77%[1]

All data are preliminary.
Revisions appear in past quarterly trend data.

[1] Estimates.

Agriculture and Forestry

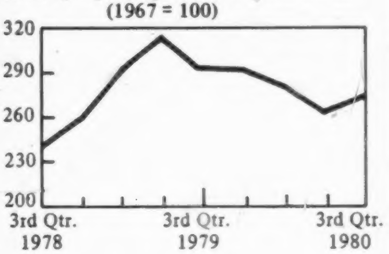
Index of Prices Received for All Commodities by Wyoming Farmers and Ranchers (1967 = 100)



	Actual
July	265
Aug.	276
Sept.	288
3rd Quarter '80	
Average Actual	276
Point change, actual basis from	
3rd Quarter '79	– 8
2nd Quarter '80	13

3rd Qtr. actual as percent of U.S. actual 108.2%

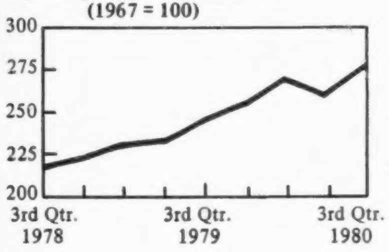
Index of Prices Received for All Livestock and Products by Wyoming Farmers and Ranchers (1967 = 100)



	Actual
July	263
Aug.	276
Sept.	290
3rd Quarter '80	
Average Actual	276
Point change, actual basis from	
3rd Quarter '79	–19
2nd Quarter '80	13

3rd Qtr. actual as percent of U.S. actual 106.6%

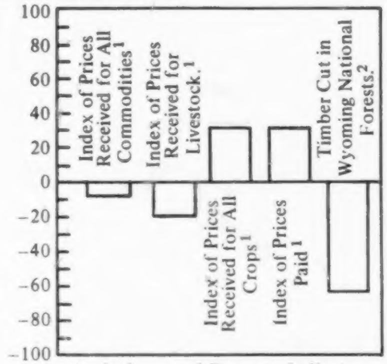
Index of Prices Received for All Crops by Wyoming Farmers and Ranchers (1967 = 100)



	Actual
July	273
Aug.	275
Sept.	283
3rd Quarter '80	
Average Actual	277
Point change, actual basis from	
3rd Quarter '79	31
2nd Quarter '80	17

3rd Qtr. actual as percent of U.S. actual 110.8%

Agriculture and Forestry



Agriculture and Forestry Indicators
Annual Point or Percentage Change

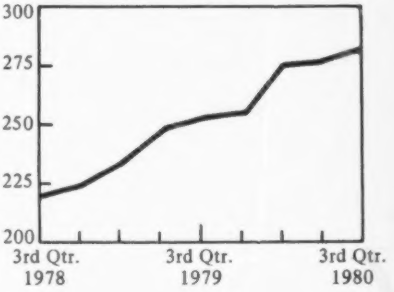
Wyoming farmers and ranchers saw some of their buying power return in the third quarter of 1980. The index of prices they must pay rose, but at a slower rate than the prices for their products.

The index of prices paid rose 7 points over last quarter which reflects a rise of 2.5 percent. This sets the index at 283.

The index of prices received for all commodities reversed the trend of the past four quarters to rise 13 points. This places the index 4.9 percent above one quarter ago, but 2.8 percent below the figure of one year ago. The index of prices received for livestock and products by Wyoming ranchers rose 13 points from last quarter, the first rise in four quarters. This is a rise of 4.9 percent. The Wyoming livestock index, at 276, exceeds the U.S. average of 259 by 17 points. The index of prices received for crops by Wyoming farmers rose 6.5 percent after falling last quarter. The index is currently 277, well above the U.S. average of 250. The Wyoming index is 110.8 percent of the U.S. average.

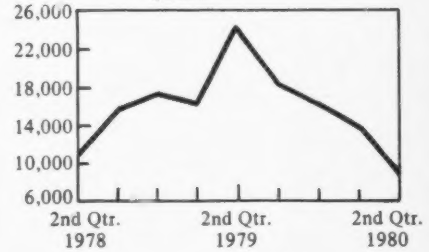
The amount of timber cut in Wyoming's national forests continues to fall and has reached a new nine quarter low. The seasonally adjusted level of 9093 MBF is 34.3 percent less than last quarter, and represents a drop of 62.3 percent from last year's nine quarter high.

Index of Prices Paid by U.S. Farmers and Ranchers (1967 = 100)



	Actual
July	280
Aug.	283
Sept.	286
3rd Quarter '80	
Average Actual	282
Point change, actual basis from	
3rd Quarter '79	31
2nd Quarter '80	7

Timber Cut in Wyoming National Forests (MBF)



	Actual
2nd Quarter '80	
Total Actual	4,410
Total Seasonally Adjusted	9,093
Percent change, seasonally adjusted basis from	
2nd Quarter '79	–62.3%
1st Quarter '79	–34.3%

All data are preliminary.
Revisions appear in past quarterly trend data.

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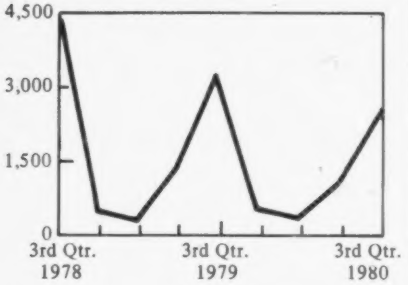
[1] Point change
[2] Percentage change

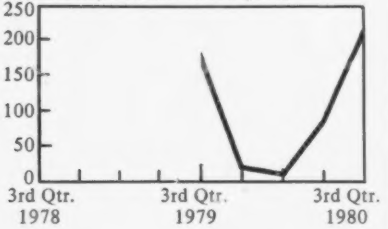
Tourism

National Park Visits -- Yellowstone and Grand Teton (1,000)



	Actual
July	977
Aug.	1,324
Sept.	370
3rd Quarter '80	
Total Actual	2,671
Percent change, actual basis from	
3rd Quarter '79	– 18.6%
2nd Quarter '80	149.9%

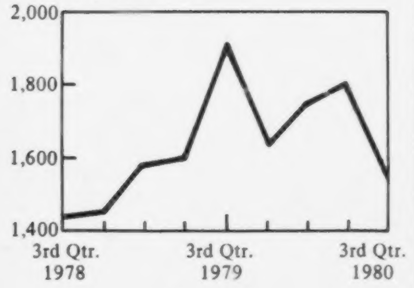
National Monument Visits – Ft. Laramie, Fossil Butte, Devil's Tower (1,000)



	Actual
July	78
Aug.	87
Sept.	38
3rd Quarter '80	
Total Actual	203
Percent change, actual basis from	
3rd Quarter '79	14.7%
2nd Quarter '80	147.6%

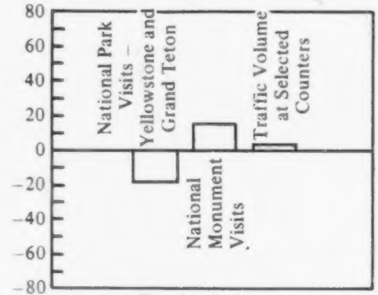
Utilities

Total Electrical Consumption (1,000,000 KWH)



	Actual
July	508
Aug.	551
Sept.	507
3rd Quarter '80	
Total Actual	1,567
Total Seasonally Adjusted	1,547
Percent change, seasonally adjusted basis from	
3rd Quarter '79	–19.1%
2nd Quarter '80	–13.9%

Tourism



Tourism Indicators
Annual Percentage Change

Visitation at Wyoming's national parks showed the characteristic jump for the months of July, August, and September. The number of visitors rose 149.9 percent from the second quarter. The annual percentage changes showed a drop of 18.6 percent from the third quarter of 1979. The number of third quarter visitors has dropped successively for four years. The figures are:

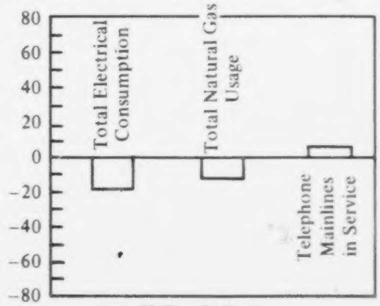
1977	4,157,000
1978	3,292,000
1979	3,274,000
1980	2,671,000

1977 was a peak year as it showed positive gains from the summer of 1976.

National monument visits also rose substantially during the third quarter. Visitation was 203,000, up 147.6 percent from second quarter. Unlike the national parks, the national monuments saw a positive annual growth in visitorship of 14.7 percent.

Traffic volume at selected counters fell .8 percent from second quarter, but showed positive gains of 3.1 percent from last year.

Utilities

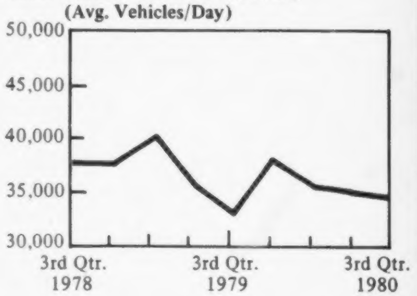


Utility Indicators
Annual Percentage Change

The third quarter saw a drop in the use of gas and electricity, but a rise in the number of telephones. Electrical consumption was down 19.1 percent from one year ago and 13.9 percent from last quarter. Natural gas usage fell 12.1 percent from one year ago and 9.1 percent from last quarter. The number of telephone mainlines rose 7.2 percent from the third quarter of 1979 and 2.1 percent from last quarter.

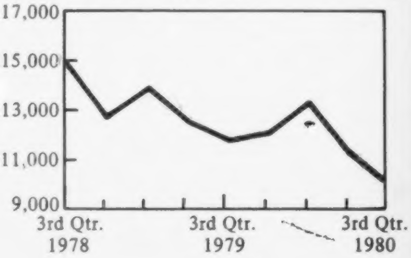
All data are preliminary.
Revisions appear in past quarterly trend data.

Traffic Volume at Selected Counters (Avg. Vehicles/Day)



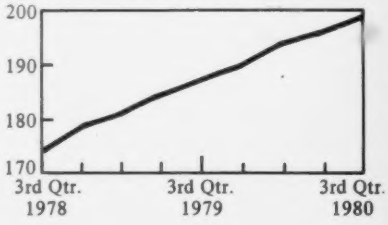
	Actual
July	57,769
Aug.	58,828
Sept.	43,924
3rd Quarter '80	
Average actual	53,507
Average Seasonally Adjusted	34,835
Percent change, seasonally adjusted basis from	
3rd Quarter '79	3.1%
2nd Quarter '80	– .8%

Total Natural Gas Usage (MMCF)



	Actual
July	2,476
Aug.	6,152
Sept.	2,531
3rd Quarter '80	
Total Actual	11,160
Total Seasonally Adjusted	10,371
Percent change, seasonally adjusted basis from	
3rd Quarter '79	–12.1%
2nd Quarter '80	– 9.1%

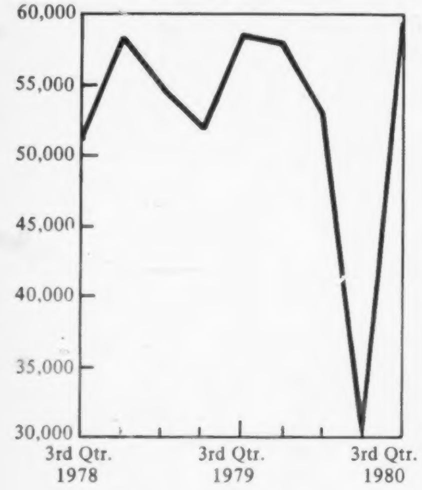
Telephone Mainlines in Service (1,000)



	Actual
July	199
Aug.	200
Sept.	200
3rd Quarter '80	
Average Actual	200
Percent change, actual basis from	
3rd Quarter '79	7.2%
2nd Quarter '80	2.1%

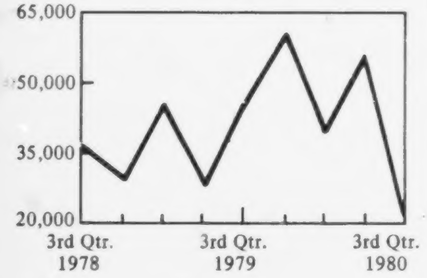
Construction

Total Residential Building Value ($1,000)



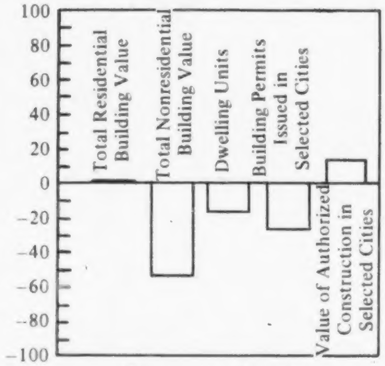
	Actual
July	25,400
Aug.	16,200
Sept.	22,400
3rd Quarter '80	
Total Actual	64,000
Total Seasonally Adjusted	59,424
Percent change, seasonally adjusted basis from	
3rd Quarter '79	1.1%
2nd Quarter '80	95.1%
3rd Qtr. actual as percent of U.S. actual	.392%

Total Nonresidential Building Value ($1,000)



	Actual
July	16,900
Aug.	9,300
Sept.	6,400
3rd Quarter '80	
Total Actual	32,600
Total Seasonally Adjusted	21,661
Percent change seasonally adjusted basis from	
3rd Quarter '79	–52.9%
2nd Quarter '80	–60.7%
3rd Qtr. actual as percent of U.S. actual	.240%

Construction



Construction Indicators
Annual Percentage Change

Wyoming's construction indicators have reversed last quarter's downward slide. All of the indicators except nonresidential building value rose from last quarter.

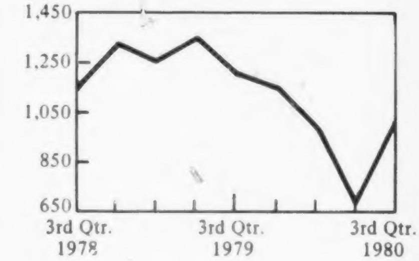
Total residential building value rose 95.1 percent from last quarter, which is a 1.1 percent rise from one year ago. This raises Wyoming's percentage of the U.S. actual to .392 percent. New dwelling units rose 48.9 percent from last quarter, but are still 15.6 percent below last year.

Nonresidential building value fell 60.7 percent from last quarter alone placing this indicator 52.9 percent below last year.

Building permits in selected cities rose 6.2 percent from last quarter and the value of authorized construction rose 23.9 percent in the same time period.

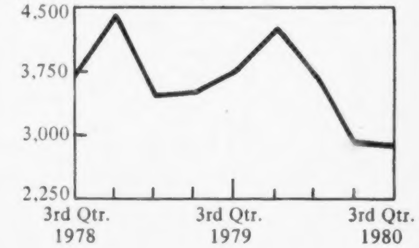
All data are preliminary. Revisions appear in past quarterly trend data.

New Dwelling Units



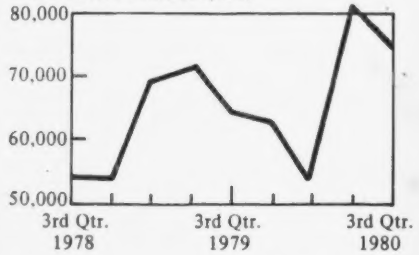
	Actual
July	419
Aug.	293
Sept.	428
3rd Quarter '80	
Total Actual	1,140
Total Seasonally Adjusted	1,022
Percent change, seasonally adjusted basis from	
3rd Quarter '79	–15.6%
2nd Quarter '80	48.9%
3rd Qtr. actual as percent of U.S. actual	.304%

Building Permits Issued in Selected Cities



	Actual
July	1,119
Aug.	1,048
Sept.	1,247
3rd Quarter '80	
Total Actual	3,414
Total Seasonally Adjusted	2,883
Percent change, seasonally adjusted basis from	
3rd Quarter '79	–24.4%
2nd Quarter '80	6.2%

Value of Authorized Construction in Selected Cities ($1,000)



	Actual
July	22,914
Aug.	27,400
Sept.	30,333
3rd Quarter '80	
Total Actual	80,648
Total Seasonally Adjusted	74,262
Percent change, seasonally adjusted basis from	
3rd Quarter '79	14.2%
2nd Quarter '80	23.9%

Chase Econometrics Associates, Inc., Near-Term Performance Summary

The **performance summary** is intended to summarize the recent historical and forecast performance of Wyoming. It includes (1) three key economic indicators over the past four quarters (2) quarterly rates of change (3) percentage shares of U.S. activity and (4) the annual ranking of Wyoming relative to all other states.

The **relative cost data** for Wyoming are included by CEAI as a regular part of each forecast. Electricity costs, natural gas costs, and wage rates are summarized relative to the U.S. average in the annual forecast data supplied for the state.

Selected Wyoming Performance Indicators

	1979.4	1980.1	1980.2	1980.3
TOTAL NON-AG EMPLOY (1,000)	216.2	218.0	219.3F	214.8F
RATE OF CHANGE (PCT)	4.02	2.07	0.6	-0.41
RANK AMONG STATES			1	
AVG. SHARE OF U.S. (PCT)	0.24	0.24	0.24	0.24
UNEMPLOYMENT RATE (PCT)	2.65	3.43	3.82F	4.45F
TOTAL PERS INCOME ($ BIL)	4.67	4.90F	5.08F	5.17F
RATE OF CHANGE (PCT)	6.43	5.38	3.56	2.82
RANK AMONG STATES			2	
AVG. SHARE OF U.S. (PCT)	0.23		0.24	0.24
TOTAL HOUSING STARTS (1,000)	5.02	3.01	3.77F	2.99F
RATE OF CHANGE (PCT)	−13.49	-40.1	25.39	3.11
RANK AMONG STATES			44	
AVG. SHARE OF U.S. (PCT)	0.32	0.23	0.38	0.27

NOTES:
- "F" INDICATES A FORECAST VALUE
- "RATE OF CHANGE" REFERS TO CHANGE FROM PREVIOUS PERIOD
- "RANK" SHOWS HOW WYOMING IS PERFORMING COMPARED TO OTHER STATES. FOR EMPLOYMENT AND INCOME THE RANKING (FROM 1 TO 51) IS BASED ON PERCENT CHANGES; FOR HOUSING AND AUTOS IT IS BASED ON ABSOLUTE LEVELS.

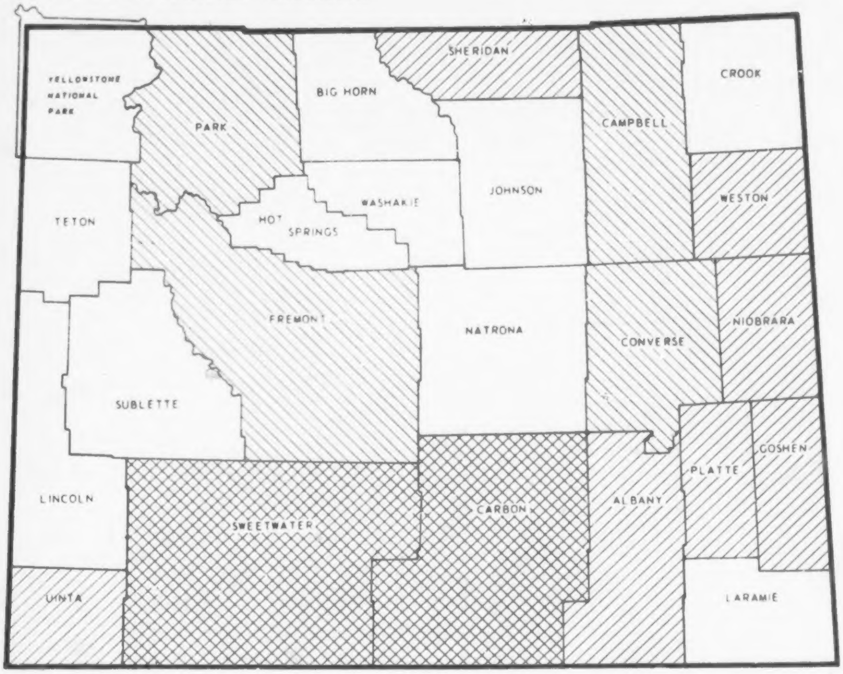
Wyoming Relative Cost Trends: U.S. AVG. = 1.0

	1979	1980	1981	1982
ELECTRICITY PRICES	0.55	0.54	0.53	0.53
NATURAL GAS PRICES	0.65	0.66	0.66	0.67
LABOR COST	0.92	0.92	0.93	0.93

Socioeconomic Indicators –

Valuation of Wyoming Minerals

1977 to 1979 Mineral Valuations



▨ Counties with above average mineral valuation growth 1977-1979.

▧ Counties with above average mineral withdrawal valuation in 1979 alone.

The valuation of the minerals withdrawn in Wyoming has risen substantially over the past few years. The major reasons for this are the generally increasing prices and increased mineral exploration.

The socioeconomic map in this issue indicates the counties that have shown the greatest increase in total valuation between 1977 and 1979, as well as those counties with the highest mineral withdrawal valuation in 1979. There were nine counties with an above average increase in total mineral valuations. The average was an increase of 49.24 percent. The fastest growing mineral valuation county was Uinta with an increase of 1102.91 percent between 1977 and 1979. The others, in decreasing order, are Niobrara, Carbon, Goshen, Sheridan, Weston, Albany, Sweetwater, and Platte. Laramie and Teton counties were the only counties to show a loss in valuation of minerals removed.

Six counties had total withdrawals above the statewide average of $110,175,579. Campbell county ranks first followed by Sweetwater, Carbon, Park, Fremont, and Converse. Teton county had the smallest mineral valuation at $83,586.

It is interesting to note that only two counties, Carbon and Sweetwater, fit into both categories.

The statistics for this report can be found in the 1978 and 1980 Annual Report of the Wyoming Department of Revenue and Taxation, Ad Valorem Tax Division.

Total Mineral Valuations by County

	1978	1979	% Change
Albany	$ 1,780.486	$ 3,095,956	73.88%
Big Horn	51,076,159	66,961,146	31.10%
Campbell	381,666,721	540,531,068	41.62%
Carbon	150,580,339	238,141,923	97.50%
Converse	129,993,387	168,861,884	29.90%
Crook	26,753,951	37,328,453	39.53%
Fremont	136,686,803	177,571,641	29.91%
Goshen	76,719	145,313	89.41%
Hot Springs	76,401,403	89,199,135	16.75%
Johnson	29,313,966	42,800,839	46.01%
Laramie	6,520,749	6,105,313	- 6.37%
Lincoln	54,634,177	77,561,430	41.97%
Natrona	60,389,802	83,814,850	38.79%
Niobrara	7,356,101	24,992,791	239.76%
Park	171,137,778	222,341,325	29.92%
Platte	3,378,455	5,586,039	65.34%
Sheridan	31,053,585	57,265,211	84.41%
Sublette	59,282,786	73,715,218	24.35%
Sweetwater	269,850,959	456,818,089	69.29%
Teton	145,500	83,586	-42.55%
Uinta	7,628,484	91,764,220	1102.91%
Washakie	15,638,484	21,371,212	36.66%
Weston	26,571,368	47,981,674	80.58%
Total	1,697,914,143	2,534,038,316	
		$ 110,175,579 (avg.)	49.24% (Avg.)

Output and Price of Four Wyoming Minerals

by Kim Keeney

The four nonfossil fuel minerals mined in Wyoming with the largest valuation are bentonite, taconite, trona, and uranium. Output and price figures are furnished in the graphs and table on this page and the next.

Bentonite is a form of clay that is used in manufacturing. It is used in pelletizing taconite iron ore, drilling muds used in the petroleum industry, and foundry sands. Wyoming is the United States' largest producer of bentonite, producing 65 percent of the U.S. supply in 1978.

Between 1976 and 1979, the taxable amount of bentonite mined in Wyoming rose from 3,279,000 to 4,479,000 tons. The largest jump was between 1978 and 1979. The value per ton has followed a similar upward trend over the four years.

The amount of taconite (iron silicate) mined in the state has been falling since 1977. The only producer in the state is U.S. Steel Corporation, which operates its mine in southwestern Fremont County. The value per ton of taconite produced in the state has been rising but at a much slower rate than that for bentonite.

Colorado Fuel and Iron Corporation operates a hematite (iron oxide) mine in northeastern Platte county, but the amount of taxable tons produced is only 432,684, much below the amount of taconite.

Wyoming is the nation's largest producer of trona (soda ash). It is used in several different manufacturing processes – in the production of glass, chemicals, paper and wood pulp, soap, water softening, and others. The amount of trona mined has shown some fluctuation, but is now expected to continue its upward climb. The value for trona rose sharply from 1978 to 1979 from $8.00 to $9.25 per ton.

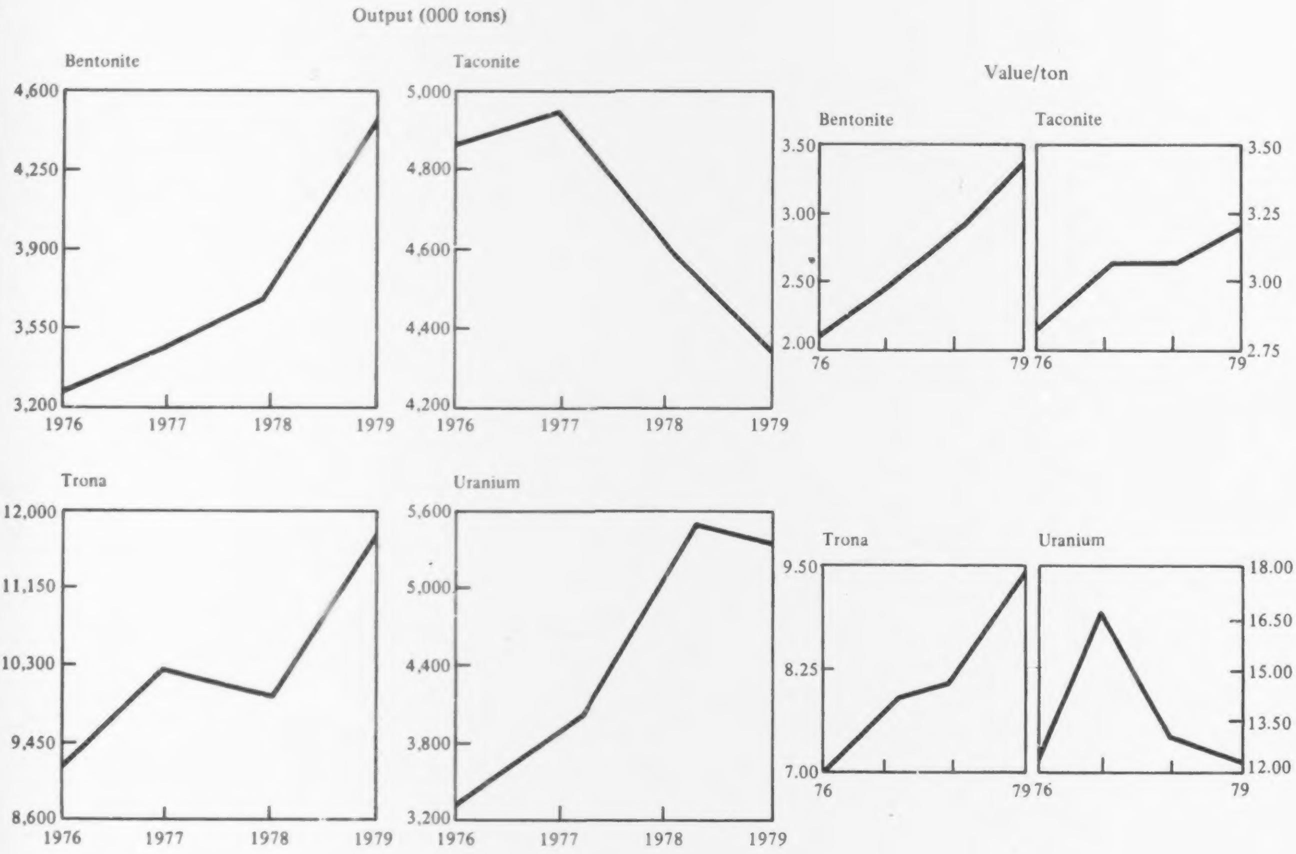
Uranium mining has fallen off from the high exhibited in 1978, following a 1977 drop in the value per ton.

The statistics for this section come from the 1977, 1978, 1979, and 1980 annual reports from the Department of Revenue and Taxation, Ad Valorem Tax Division.

Annual Taxable Mineral Withdrawal

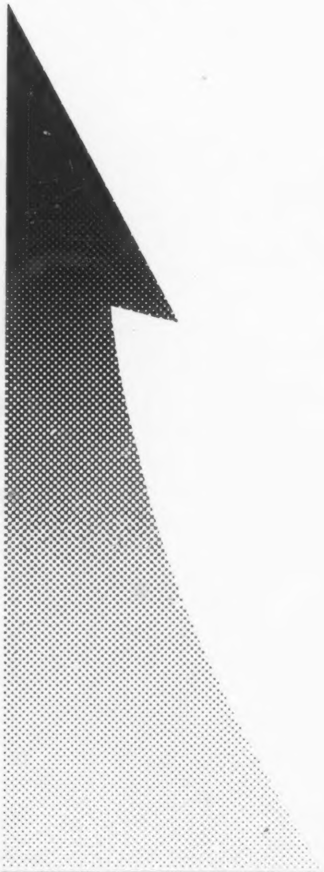
	1976	1977	1978	1979	% Change
Bentonite	$3,278,765	$ 3,315,783	$3,626,652	$ 4,479,242	36.61%
Average Value/Ton	$ 2.06	$ 2.40	$ 2.91	$ 3.39	64.56%
Severance Tax	2.0%	2.0%	2.0%	2.0%	0.00%
Taconite	$4,822,880	$ 4,881,982	$4,575,356	$ 4,347,250	- 9.86%
Average Value/Ton	$ 2.95	$ 3.20	$ 3.20	$ 3.30	11.86%
Severance Tax	2.0%	2.0%	2.0%	2.0%	0.00%
Trona	$8,800,607	$10,215,605	$9,974,237	$11,771,985	33.76%
Average Value/Ton	$ 7.00	$ 7.70	$ 8.00	$ 9.25	32.14%
Severance Tax	5.5%	5.5%	5.5%	5.5%	0.00%
Uranium	$3,302,422	$ 3,986,025	$5,517,070	$ 5,512,345	66.92%
Average Value/Ton	$12.67	$16.62	$13.27	$12.57	- 0.79%
Severance Tax	5.5%	5.5%	5.5%	5.5%	0.00%

ANNUAL TAXABLE MINERAL WITHDRAWAL



Forecasting for Wyoming's economy

by Kim Keeney



National Outlook

Recent economic data continues to indicate that at least the first phase of the recession ended in July or August. Industrial production rose 4 percent during the last four months but is still well below the prerecession levels. Leading indicators showed positive gains and employment, housing starts, and sales of durable goods all rose from last summer.

Despite these improvements, the economy remains weak and is showing some signs of stagnation. It seems likely that the economy will level off for the next six months at a level below that where the recession began. Several factors have lead Chase Econometrics to predict this leveling off of economic activity.

Consumer spending seems to have leveled off since July. Auto sales have slowed after a rise in June and July at a level of about nine million per year. It is unlikely any increase in consumer credit will occur to raise spending as September figures show credit extensions near the March preconstraint levels. Recent increases in the interest rate will, if anything, depress the credit market.

The inflation rate is expected to continue to rise and at a faster rate in early 1981. Food prices are expected to rise substantially over the next seven months. Increases in social security payments and the minimum wage this month add to the upward pressure. The increases in the average mortgage rate will also cut household buying power.

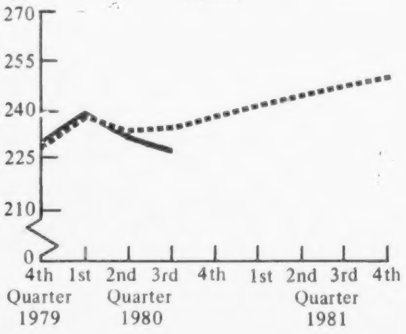
Recent declines in gasoline and heating oil prices seem to be over. The rise in prices will be nothing like last winter's jump, unless the political situation in the Middle East does not reach some sort of resolution. Current stocks of petroleum are at record levels, but only 10-15 percent of these are "surplus." Even if there is a further decline in oil demand and other countries increase production, the surplus stocks will be eliminated by spring if Iran and Iraq do not resume production. Even after the war ends, it will take some time to repair the damage to facilities caused by the war.

United States exports are showing signs of weakening as the recession effects Europe, Japan, and the less developed countries (LDCs). Data suggests that the recession there will continue into the spring of 1981. Recent increases in the value of the dollar also negatively effect sales of U.S. exports.

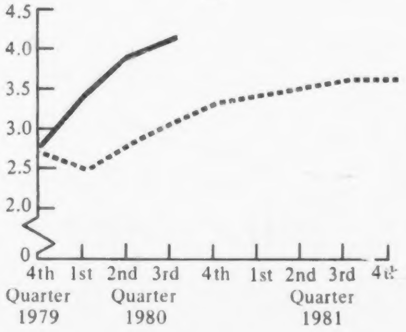
It is unlikely that many factors will cause positive effects in the economy over the next two years. It is unlikely that an increase in consumer confidence could cause significant increases in consumer spending. Despite the drop in current real incomes, consumer spending has held up well. Capital expenditures are also doing well despite the current cost of capital, low operating rates, and current profitability. Tax incentives proposed by the new administration

1981 economic forecasts

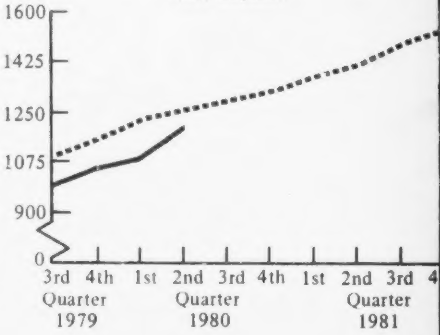
Seasonally Adjusted Civilian Labor Force (1,000)



Seasonally Adjusted Unemployment Rate (%)



Seasonally Adjusted Total Personal Income ($1,000,000)



coupled with reduced regulation should help to increase capital expenditures late this year and early next year, but not enough to significantly improve the short-run outlook. Rising defense expenditures will act as a stimulus for the economy, but probably not enough to offset weaknesses elsewhere.

Wyoming Outlook

After the slowdown in the Mountain Region of last quarter, Chase has revised its forecast for the area. The new forecast is somewhat more pessimistic, with the region showing a drop of 3.8 percent in real income from peak to trough (first quarter to fourth quarter 1980). They are not expecting complete recovery until the second quarter of 1982. Idaho, Utah, and Nevada are the hardest hit with Wyoming the least affected.

Chase illustrates this by showing construction trends. Construction is higher in the Mountain Region than in the nation as a whole and Wyoming is the highest in the region. There was a decline in construction between the first and second quarters in every Mountain Region state except Wyoming. (Idaho's construction fell 15.56 percent.) Most of Wyoming construction activity is mining oriented.

Depressed mineral prices are another factor in the downward revised regional forecast. The depressed auto industry is causing a drop in the price of lead which is adversely affecting Idaho. Wyoming and Montana are being adversely affected by the drop in uranium prices caused by the breakup of the Canadian uranium cartel.

Chase notes that while the long term growth rate for the Mountain Region looks bright, some short term problems will have to be solved. One of these is that the economies of these states are becoming very dependent on the extraction of nonrenewable energy sources. Current investment patterns will only intensify this pattern. Chase goes on to state that this does not forestall the development of a diversified economy, as spending on energy development is having an expansive effect, especially in construction and service industries.

Chase also discusses the prospect of another railroad line leading out of the Powder River Basin. Chicago and Northwestern Transportation Company plans to build a line connecting to a Union Pacific route. Chase expects a long legal battle between Union Pacific and Burlington Northern, which runs the present line out of the basin, considering the lucrativeness of the business at stake.

Chase has revised its forecasts for Wyoming, and the graphs below reflect this change. Civilian labor force is expected to return to an upward trend following the drop between the second and third quarters. The unemployment rate is projected to level off at a seasonally adjusted level of 3.6 percent the third quarter of 1981. Total personal income should continue its upward trend, and housing starts should return to closer to normal levels after the drop in the first three quarters of 1980. Passenger car registrations should increase slowly but Chase does not expect them to return to the first quarter 1980 high anytime in the next two years. Total deposits in Wyoming banks are projected to increase throughout the next two years.

Winter Agricultural Outlook

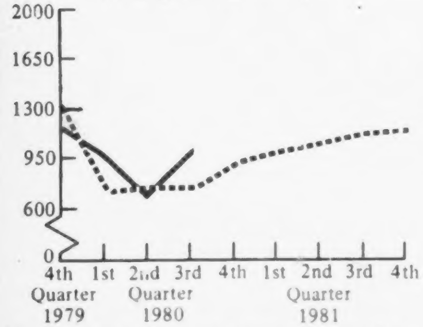
by Robert D. Carver
University of Wyoming

Dominating the agricultural situation and outlook this winter are the effects of last summer's weather patterns. The extremely hot, dry weather occurring in many parts of the U.S. will have carryover effects throughout the coming year.

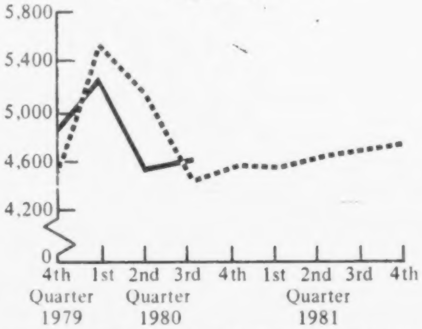
The hot, dry weather that gripped much of the nation this past summer resulted in short crops in many areas. The U.S. Department of Agriculture's November crop report projected 1980 corn production at 6.47 billion bushels, down 17 percent from 1979's record crop. Soybean production was pegged at 1.76 billion bushels, 22.5 percent below last year's record. Total feed grain production (corn, sorghum, oats and barley combined) was expected to total

——— Economic baseline (IPR indicators)
········· Chase Econometric Associates, Inc.[1]

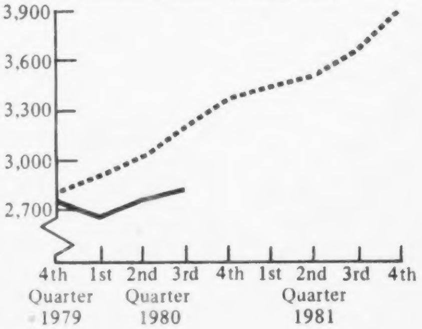
Seasonally Adjusted Dwelling Units (Permits) – Housing Starts (Permits)



Seasonally Adjusted New Passenger Car Registrations



Total Deposits in Wyoming State and National Banks[2] ($1,000,000)



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[1] Based on CEAI Standard Macro Forecast of August 22, 1980 (Short-term) and March 8, 1980 (Long-term).

[2] unadjusted

192 million metric tons, down 18 percent from 1979.

Forage production was also severely affected by last summer's unfavorable weather. Hay production was reduced by at least 15 percent, and forage supplies from pastures and ranges is much less than usual through the coming winter. Most cattle producers east of the continental divide are faced with short roughage supplies and high wintering costs on breeding herds and other stock cattle. Winter wheat pastures were in poor condition heading into the winter, further reducing available grazing and resulting in increased supplemental feeding of livestock in many areas.

About 80 percent of the total tonnage of feed grains fed in the U.S. usually consists of corn. Because of tight supplies of sorghum, oats and barley, corn will probably account for 85 percent of domestic use of feed grains by livestock and poultry in 1980-81. Carryover stocks at the end of the 1980-81 marketing year are projected by the USDA to be approximately 600 million bushels, less than half of the 1.6 billion bushels on hand on September 30, 1980. This projected drawdown in stocks is expected to add continued strength to feed grain prices in the coming year.

Livestock

Prices for feeder cattle and fed cattle continued under heavy pressure throughout the fall. Ample supplies of beef at current retail price levels and continued competition at retail from lower priced pork and poultry appear to be major reasons for the weaker beef market.

Another major drag on the fed cattle market in late fall has been the large number of overfinished cattle available. These fatter animals are facing a declining demand as consumers search for leaner beef. Wholesale price spreads between yield grade 3 and 4 carcass beef reached new record levels during November, reflecting the abundant numbers of heifer animals. This spread has been as wide as $16 to $18 per cwt during recent weeks.

One important and often overlooked factor affecting live cattle prices is the value of the hide and offal, commonly referred to in the trade as "drop value." Changes in drop values often mean the difference between profits or losses for packers. This in turn is reflected in prices that are bid on live cattle. Last spring, drop values were over $100 per animal slaughtered. The drop value throughout most of the fall has been closer to $60 per head. This decline has resulted in over $3 per cwt drop in prices packers are able to pay producers for cattle.

Prospects

A year of record high fed cattle prices is in the offing for 1981. Beginning with the second quarter, all levels of cattle should show some price strength over this past fall. This should not be interpreted as a favorable year for profits, however. Prices of most inputs, most notably feed costs, are expected to increase further in 1981. Certainly the higher feed grain costs will have a major dampening effect on feeder cattle prices. The reduction in winter forage and higher supplemental feed prices will keep calf and yearling prices under pressure until green grass time in the spring.

The price prospects for feeder cattle should improve as we move into the spring if we experience a normal winter and spring. Ample spring moisture for summer grazing should put substantial upward price pressure on feeder cattle. Between now and spring, feeder cattle prices will react to changes in fed cattle prices, feed costs, interest rates, and feedlot profitability. Choice 400-500 lb. steer calves will likely continue selling in the $80-$85 range through the winter months, and improve to $85-$90 range by April 1, 1981.

Winter Minerals Outlook, 1980

Staff, Geological Survey of Wyoming

Uranium

The year closed out with a bleak uranium market as uranium prices continued their downward trend, dropping to $28.00 for a pound of yellowcake (U_3O_8). In comparison, mid-1978 to early 1979 uranium prices reached a high of $43.25 per pound. The poor market conditions have resulted in several hundred jobless miners, severe production cutbacks, suspensions of a few mine operations, and the reexamination of plans to open new mines in the near future.

Despite this depressed market, Conoco Incorporated is going ahead with plans to open the Moore Ranch mine and Sand Rock mill near Reno Junction. Conoco is reportedly continuing its plans on the expectation of increased demand and better prices by the time its mine comes on line. The Moore Ranch mine is planned to open in 1982 and produce 1,000 tons of uranium ore per day. It is anticipated that another 2,000 tons of ore from other mines will also be processed by Conoco's mill.

Copper

The U.S. Geological Survey recently reported several centers of porphyry copper mineralization in the Absaroka Wilderness of northwestern Wyoming. These deposits are similar to the important copper deposits that are mined in Utah, Arizona, and New Mexico. These porphyry copper mines of the southeastern United States not only supply a major portion of the world's copper, but also significant tonnages of molybdenum, lead, zinc, silver, and gold.

In Wyoming, Amax Exploration, Timberline Minerals, and others are conducting exploration for similar porphyry copper mineralization on the fringes of the wilderness boundary and to the south of Cody, Wyoming.

Gold

Due to high precious metal prices, gold exploration and prospecting are continuing at a feverish pace throughout Wyoming. Numerous companies are seeking the metal; however, no major mines are presently planned for the state. Information on Wyoming's gold deposits is now available in the Wyoming Geological Survey's new Report of Investigations No. 23, *Gold districts of Wyoming*.

Diamonds

Several mining firms are continuing exploration for diamond deposits in Wyoming and Colorado. Although this testing has been underway for some time, it may be several more years before the results of the tests are known. For more information on Wyoming diamond deposits refer to the Wyoming Geological Survey's Report of Investigations No. 19, *Exploration for diamond-bearing kimberlite in Colorado and Wyoming: an evaluation of exploration techniques*.

Coal

The soft market for Wyoming coal is now a year older with no sure sign that this trend will soon reverse. However, the recent presidential election has raised optimism in some quarters that better times may be ahead. For the time being, such a view remains speculative. Currently, there is also an organized effort to alert the new administration to federal laws and regulations that industry feels are counterproductive to mining and exploration efforts. Reactions to these efforts are extremely diverse, suggesting that radical changes certainly aren't likely at least in the short term.

Despite this continuing soft market, mine expansions, primarily based on signed contracts, should increase Wyoming's 1980 coal production to 81 million tons. This tonnage estimate is roughly 18 percent below apparent contracted demand and reflects the effects of conservation efforts, construction delays for power plants, and excessive downtime on some existing power plants. Presently, 1981 production is expected to reflect a similarly tempered growth rate. Under these conditions, the Wyoming Geological Survey now estimates that 1981 production will only reach 90 million tons or 8.6 million tons less than a similarly scaled down estimate made in early 1980 (see Wyoming Geological Survey's Public Information Circular No. 12, *Wyoming coal production and summary of coal contracts*, dated April, 1980).

In late 1980, new coal supply contracts were announced by NERCO, Kerr-McGee Coal Corporation, and Big Horn Coal Company. It was also rumored that System Fuels Incorporated exercised their option for additional tonnage from Mobil Oil Company's Rojo Caballos mine. Kerr-McGee negotiated a new 23 year contract with Houston Lighting and Power for its Parish Station plant at Thompson, Texas. The new contract calls for 40 million tons of coal at an average annual rate of two million tons. According to figures released by the Energy Information Administration, this coal had a delivered price of $35.05 in July of 1980.

NERCO, a subsidiary of Pacific Power and Light Company, announced a new contract for its proposed Antelope mine. The contract calls for delivery of up to 99.7 million tons of coal at an average rate of 4.7 million tons per year. The coal is for use by two unidentified power plant units planned by Louisiana Power and Light Company. The contract starts up in the late 1980s.

Big Horn Coal Company's contract is a one year contract to supply coal to the Veterans Administration Medical Center at Sheridan, Wyoming. The contract is for 6,000 tons of coal at an FOB mine price of $25.00 per ton. Incidentally, Big Horn's contract price for this buyer in 1980 was $20.00 per ton.

Confirmed new contracts in 1980 numbered five. The total newly contracted tonnage in 1980 was 189.7 million tons. If Mobil Oil negotiated its rumored new contract with System Fuels Incorporated, another 60 million tons needs to be added to the above total.

Currently Wyoming's Department of Environmental Quality is reviewing applications for seven major new coal mines in the state. These applications include Antelope Coal Company's (NERCO) Antelope mine, Cumberland Coal Company's (Rocky Mountain Energy and Peter Kiewit) South Haystack mine, Kerr-McGee's East Gillette Federal mine, Consolidation Coal Company's Pronghorn mine, Mobil Oil's Rojo Çaballos mine, Wymo Fuels' Wymo mine, and North Antelope Coal Company's (Peabody) North Antelope mine.

Coal transportation developments are also in the news. Draft environmental statements for both the Chicago and Northwestern Transportation Company's (C&NW) Coal Line Project and Energy Transportation System Incorporated's (ETSI) Coal Slurry Pipeline Project were completed in 1980. Although the outcome and timing of these projects is still unclear, there is growing optimism that competition spawned by these projects will slow spiraling freight rate increases for coals shipped out of the Powder River Basin.

Oil and Gas

Winter oil and gas activity continued at a very brisk pace. Latest figures indicate 174 active rigs as compared to 150 rigs a year ago. New oil discoveries were completed in Campbell County, two miles southwest of Mitchell Creek field and 3½ miles west of Hilight field; and in Park County, a mile north of North Oregon Basin field. Also a new gas pool discovery was completed in the North Brady field in Sweetwater County.

In the Overthrust Belt of western Wyoming a new Jurassic Nugget gas discovery was made four miles east-southeast of Yellow Creek field. In addition, a Permian Phosphoria gas pay zone was discovered within the Yellow Creek field. Previously, gas in that field was only produced from the Jurassic Twin Creek and Nugget formations.

In a related note, Amoco recently estimated that the "discovered potential reserves" of the Wyoming-Utah portion of the Overthrust Belt may total 9.7 trillion cubic feet of gas and 914 million barrels of oil. This estimate, which is generally described as conservative, is 25 percent above estimates made only a few months before. The Carter Creek-Whitney Canyon field complex, alone, is credited with more than 5.3 trillion cubic feet of gas, which is more than the total estimated reserves for the rest of Wyoming.

Also, three more fields were added to the growing list of giant fields in the Overthrust Belt. The three are Painter Reservoir, East Painter Reservoir, and East Anschutz Ranch. While the Painter Reservoir field is an oil field, the other two are primarily gas fields. By definition, a "giant field" has estimated reserves equal to or greater than 100 million barrels of oil or one trillion cubic feet of gas.

Readers interested in Wyoming's oil and gas activities will find the Wyoming Geological Survey's new *Oil and gas map of Wyoming* and the *Tectonic map of the Overthrust Belt* invaluable. Both maps were published in 1980.

Data Sources

1. Employment	Employment Security Commission of Wyoming
2. Wages and Employment	
Average Weekly Earnings	Employment Security Commission of Wyoming
Average Weekly Hours	Employment Security Commission of Wyoming
Average Hourly Earnings	Employment Security Commission of Wyoming
Job Placements – Nonagricultural	Employment Security Commission of Wyoming
Initial Unemployment Insurance Claims	Employment Security Commission of Wyoming
Help Wanted Advertisements	Compiled by Institute for Policy Research
3. Mining and Minerals	
Bituminous and Lignite Coal Production	Energy Data Reports, U. S. Dept. of Energy
Oil Production	*The Oil and Gas Journal.* The Petroleum Publishing Co. Tulsa, OK. (Copyrighted)
Natural Gas Production	Energy Data Reports, U.S. Dept. of Energy
4. Agriculture and Forestry	
Index of Prices Paid by Farmers and Ranchers (U.S.)	Wyoming Cooperative Crop and Livestock Reporting Service
Index of Prices Received by Farmers and Ranchers All Commodities (Wyo.)	Wyoming Cooperative Crop and Livestock Reporting Service
Index of Prices Received by Farmers and Ranchers for Livestock and Products (Wyo.)	Wyoming Cooperative Crop and Livestock Reporting Service
Index of Prices Received by Farmers and Ranchers All Crops (Wyo.)	Wyoming Cooperative Crop and Livestock Reporting Service
Lamb and Calf Crops	Wyoming Cooperative Crop and Livestock Reporting Service
Timber Cut in Wyoming National Forests	U.S. Forest Service
5. Construction	
Total Residential Building Value	F.W. Dodge Co. (Further reproduction prohibited.)
Total Nonresidential Building Value	F.W. Dodge Co. (Further reproduction prohibited.)
New Dwelling Units	F.W. Dodge Co. (Further reproduction prohibited.)
Value of Authorized Construction	Compiled by Institute for Policy Research
Number of Building Permits	Compiled by Institute for Policy Research
6. Finance	
Total Loans (State and National Banks)	Wyoming State Bank Examiner
Total Deposits (State and National Banks)	Wyoming State Bank Examiner
Demand Deposits (State and National Banks)	Wyoming State Bank Examiner
Loan Deposit Ratio (State and National Banks)	Wyoming State Bank Examiner
Mortgage Loans (Savings and Loans)	Federal Home Loan Bank, Seattle
Total Savings (Savings and Loans)	Federal Home Loan Bank, Seattle
7. Consumers	
State Sales and Use Tax Collections	Wyoming Dept. of Taxation & Revenue
Estimated Retail Sales	Estimated by Institute for Policy Research
U.S. Consumer Price Index	U.S. Dept. of Commerce, Bureau of Economic Analysis, *Survey of Current Business*
Personal Income	*Business Week*
New Car and Truck Registrations	R.L. Polk & Co. (Further reproduction prohibited.)
Gasoline Price	Wyoming AAA
8. Business Conditions	
New Domestic Corporations	Wyoming Secretary of State
New Foreign Corporations	Wyoming Secretary of State
Total New Corporations	Wyoming Secretary of State
Bankruptcies	Cheyenne Credit Bureau
Business Failures	Cheyenne Credit Bureau
Value of Business Failures	Cheyenne Credit Bureau
9. Utilities	Compiled by Institute for Policy Research
10. Tourism	
National Park Visits	Yellowstone and Grand Teton National Parks
National Monument Visits	Fossil Butte, Devil's Tower & Ft. Laramie National Monuments
Traffic Volume	Compiled by Institute for Policy Research from Wyoming Highway Department Data

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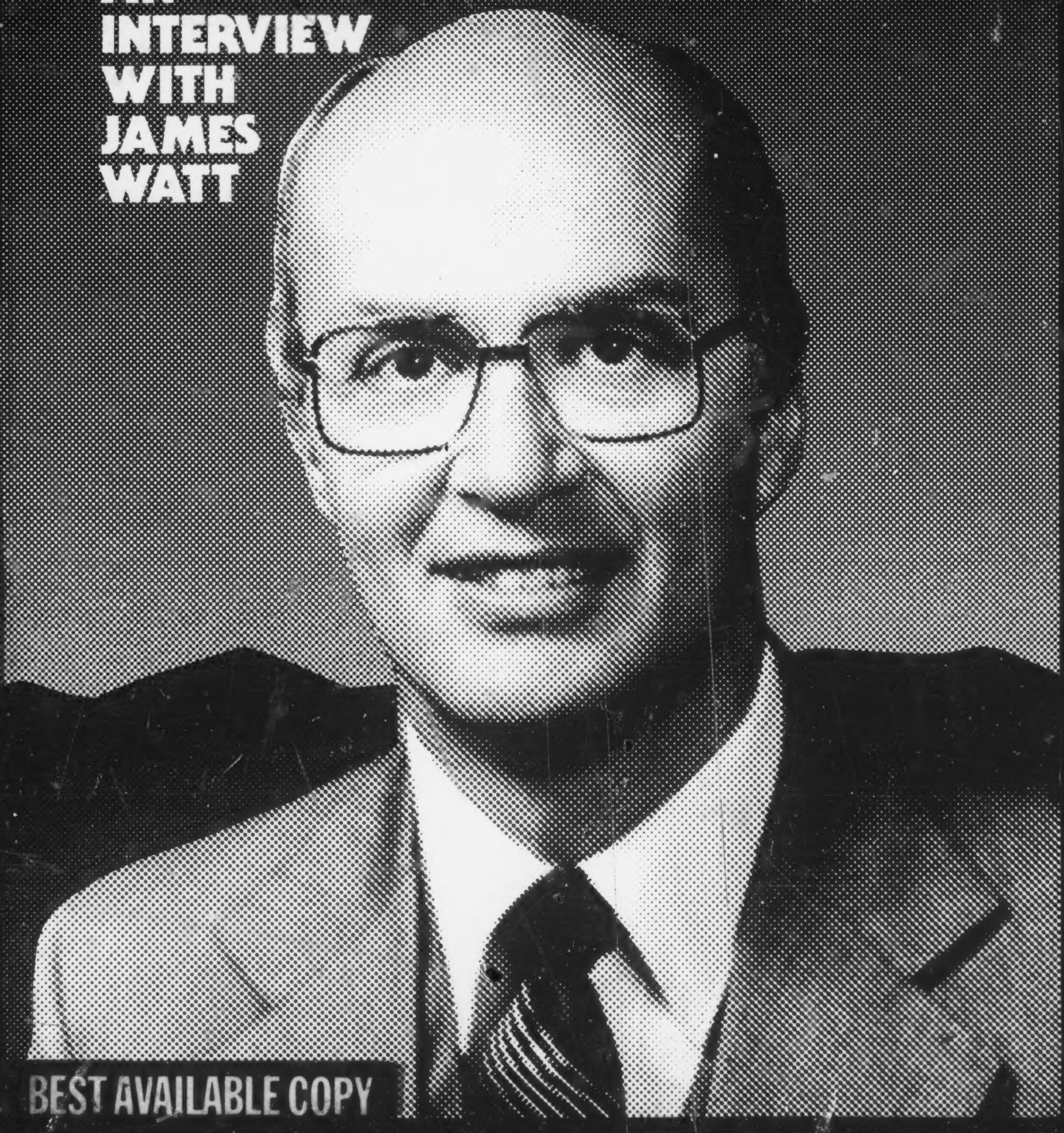
Wyoming Issues

$2.50

Spring 1981
Vol. 4. No. 2

AN INTERVIEW WITH JAMES WATT



BEST AVAILABLE COPY

The staff of *Wyoming Issues* has been working hard this last quarter to bring our readers a more stimulating magazine.

Plans for our new look got underway in December, with a day-long conference and critique of the magazine. Many valuable ideas were exchanged, and we incorporated some of those ideas in the last edition. However, it was too close to press time to make a lot of changes then, so we had to wait until this edition to really get going.

The most obvious changes are the Calendar of Events on page one, and the two-page Table of Contents. We have also tried to use more photographs and artwork, better graphics, and, most importantly, more readable aticles.

This edition includes an in-depth article about James Watt, Secretary of the Interior and Wyoming native. There is an interview with Watt, as well as interviews with Senators Simpson and Wallop, and former Senator Hansen.

There are also articles about this year's legislature, synfuel production in Wyoming, and a new health clinic in Baggs, as well as new census figures by race for Wyoming.

We've also added a new department, Wyoming Books. This edition features a review of a murder mystery written by a University of Wyoming professor.

The Spotlight section is greatly enlarged. What started out as a half-hour interview took four hours, and we felt that the subject matter deserved more space than just one page.

Senator Wallop gives his views about water in Viewpoint, and the Indicators and Forecasts are also included. One change has been made in the Indicator section: the Chase Near-Term Performance Summary will no longer be included because Chase no longer publishes these data for Wyoming.

We would appreciate hearing from our readers concerning our new look. Send you comments to: Editor, *Wyoming Issues*, Box 3925 University of Wyoming, Laramie, WY 82071.

Kate Missett

Kate Missett
Managing Editor

Calendar of Events

April 20-July 3 **Laramie**	Art shows. April 20-25, Doug Fey, pottery. April 27-May 2, Summer school faculty show. June 8-19, Lee D. Lang, variety of media. June 22-July 3, Marty Petzel, stained glass. These shows will be at Gallery 234 in the Wyoming Student Union Building on the UW campus. Spring hours are 9-4, M-F. Summer hours to be announced, M-F.
April 23 **Rawlins**	Prebusiness workshop, sponsored by the Small Business Administration. Check with the Chamber of Commerce for time and place.
April 26 **Rawlins**	Small business clinic on state and federal taxes, sponsored by the Small Business Administration. Check with the Chamber of Commerce for time and place.
April 26-July 3 **Laramie**	Art shows. April 26-May 17, graduating UW art students. June 8-July 31, elements from the permanent collection. June 22-July 3, master of arts candidate show. These shows will be held at the art museum in the Fine Arts Building on the UW campus. Spring hours are 1:30-5, Sunday-Friday. Summer hours are 1-4:30, Sunday-Friday.
April 30-June 5 **Gillette** **Jackson** **Powell**	Seminars. Operational seminar for public water supply systems. Sponsored by the civil and architectural enginnering departments of UW and the Environmental Protection Agency. April 30-May 1, Gillette Ramada Inn. June 1-2, Jackson State Bank. June 4-5, Northwest Community College.
May **Laramie**	Seminar. "Doing Business in an Inflationary Economy," sponsored by the Institute for Business and Management Services and the Laramie Small Business Council. Check with the Institute for Business and Management Services at UW for time and place.
May **Worland** **Riverton**	Small business clinics on state and federal taxes, and prebusiness workshops, sponsored by the Small Business Administration. Check with the Chamber of Commerce for time and place.
June 9-July 7 **Laramie**	Music festival. Western Arts Music Festival. Various days. Fine Arts Music Center, Fine Arts Building, on the UW campus. Check with the UW music department for times.

Do you have a pertinent item which you want to place on our Calendar of Events? If so, please send it to *Wyoming Issues*, Box 3925 University of Wyoming, Laramie, Wyoming 82071. Only a few can be used each time, so mail early. To appear in the summer edition, we must have items no later than May 31; for the fall, August 31; winter, November 30; and spring, February 28.

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College of Commerce and Industry
and College of Arts and Sciences
University of Wyoming

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Wyoming

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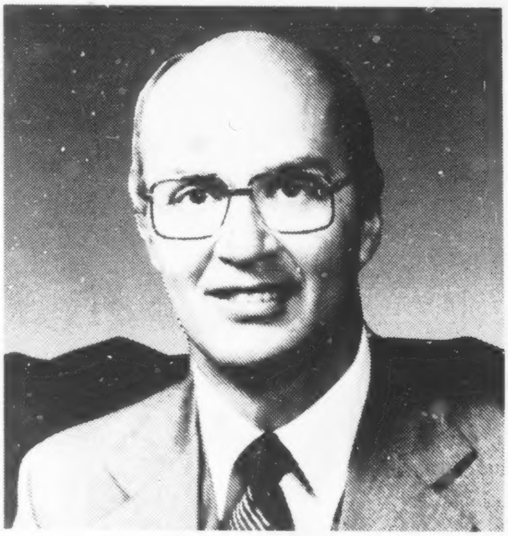

Yeas and Nays: A Legislative Review

This year's legislature had its ups and downs. Find out what bills passed or failed, and why. A discussion of some of the interesting bills considered by the legislature, plus a partial pass-fail list.
by former House page
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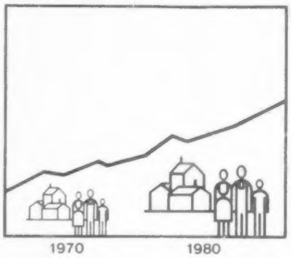

Race and Origin Population Figures for Wyoming

Additional population figures from the 1980 census are available almost every day. This time, *Wyoming Issues* lists race and origin figures for Wyoming.
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James Watt: Threat or Promise?

James Watt, Wheatland native, is now the Secretary of the Interior. This department controls Bureau of Land Management and National Park land, among other things. Who is Watt, and what will his leadership at Interior mean for Wyoming and the Rocky Mountain West? This article explores Watt's background in and out of government life, and discusses some of the things that the Interior Department might do during Watt's tenure. An interview with the new secretary is included, as well as interviews with Cliff Hansen, Alan Simpson, and Malcolm Wallop.
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For a long time, the people in Baggs, Wyoming, had no health care. After a mighty effort on the part of University of Wyoming staff people, Baggs' citizens, and Craig, Colorado, physicians, Baggs finally has a health clinic.
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James Watt: Threat or

This Wyomingite is receiving more press coverage than any Wyoming citizen since Buffalo Bill or Butch Cassidy. Herein, read what Watt has to say for himself, and what three other prominent Wyomingites have to say about the new man at Interior.

by Kate Missett

There is no middle ground with James Watt. People either love him or hate him. There are never any neutral comments, to the effect that Watt is "okay" or that someone only mildly likes or dislikes him. Why does Watt polarize emotions?

Watt first came into prominence when President Reagan nominated him for the post of Secretary of the Interior. The people of the Rocky Mountain West were immediately vocal about him. Environmentalists publicly deplored him, and old-line conservatives publicly adulated him. The following will attempt to explain the man – who he is and what he stands for.

Watt was born January 31, 1938, in the small Wyoming ranching community of Lusk. When Watt's attorney father bought Wheatland's Globe Hotel in the early 1950s, the family relocated there. Watt's family remained in Wheatland a number of years, and Watt attended junior and senior high school there.

Watt's interest in politics and government was evident as early as high school. He was on the student council, was a leader in many clubs, and went to Boys' State, where he was elected governor. He also had the privilege of going on to Boys' Nation. Watt was also interested in individual rights, then as now, proposing that the high school students be given more individual responsibility.

Watt is Wheatland's golden boy, not just a native son who has done well. The citizens of Wheatland love him. Let Don Sherard, Wheatland attorney, explain. "James had a reputation as being an outstanding student. James was a serious, conscientious and intelligent youngster, very deliberative and well-balanced in his thinking." Note the use of the formal name – everyone in Wheatland calls him James, and Sherard says all the family members liked to be called by their given names. Nancy Allen of Wheatland says, "James Watt is a fine young man, and we're very proud of him." Her husband, John, adds, "He's brilliant. He's very upright and moral." Intelligent? Yes – at the top of his class. And upright and moral? Watt has been a teetotaler all his life, and is a born-again Christian. He is an active member of the Assemblies of God Pentecostal Church.

One of the people Watt converted since becoming a born-again Christian is his former mentor from high school, Jack Dinnel. Dinnel and Watt have maintained a friendship over the years, ever since Dinnel was Watt's track coach, club sponsor and Sunday school teacher. Dinnel seems to hold Watt in awe, stating, "He's been a tremendous influence, not just on our lives, but on many of his friends' lives."

Watt was equally impressive in college as he was in high school. While at the University of Wyoming, Watt was named to "Who's Who Among Students in American Universities and Colleges," named the outstanding member of the Alpha Tau Omega fraternity in the Rocky Mountain region, and presided over three scholastic honor societies. He received honors along with his diploma for his bachelor's degree in business in 1960. While in law school at U.W., he edited the Wyoming Law Journal. Watt received his juris doctor degree in 1962.

After graduating from law school, Watt joined the election team of Senator Milward Simpson, joining Simpson's son Alan, now a U.S. senator himself, and Doug Baldwin, who was to become Watt's press secretary at the Interior Department. Simpson won the election, and Watt went to work on Simpson's Washington staff. Watt planned legislative activities, wrote speeches for Simpson, and, most importantly, observed Simpson and others in action on the Interior Committee.

When Milward Simpson retired from the Senate due to poor health, Watt went to work for the United States Chamber of Commerce. Watt's resumé reads: "Responsible for coordinating the activities and interests of the National Chamber in the fields of mining, public lands, energy, water and environmental pollution. Principal spokesman for the National Chamber on these issues. Developed policies and

Promise?

Watt's high school yearbook picture.

programs." Translated, Watt was a lobbyist for the Chamber, no doubt relying on the emphasis given water law at the University of Wyoming College of Law and all the Interior Committee meetings he had attended with Senator Simpson.

When Richard Nixon was elected president, Watt was called to Interior to help in the transition from Johnson to Nixon. He helped Walter Hickel get confirmed, counseled Hickel on legislative matters, and wrote Hickel's speeches. In May of 1969, Watt was named Deputy Assistant Secretary at the Interior Department, where his main duties were the water and power resource activities of the department. He oversaw seven agencies which designed, constructed, and operated reservoirs, water distribution systems, and electric power transmission systems. He was also a spokesman for the department with Congress and lobbyists.

Watt went directly from Deputy Assistant Secretary to the directorship of the Bureau of Outdoor Recreation in 1972. This arm of the Interior Department assists in land-use planning, and has a sizable ($300 million plus) fund for matching grants. Watt says he developed "the first Nationwide Outdoor Recreation Plan," but reports in the national press [Rocky Mountain Magazine, March/April, 1981] dispute Watt's claim. From page 32 in that magazine: "One former high-ranking official calls the plan a 'joke' . . . he charges that Watt was not even repsonsible for the finished product. The document produced by Watt's Bureau was so 'god-awful,' the official says, that . . . the plan was rewritten by a higher-level member of the Interior Department, who substantially changed the thrust and policy direction." The reader will note that the "high-ranking official" is not named. When doing research for this article, it was found that none of the people who violently dislike Watt wanted to be named. One source said that it was politically dangerous to openly oppose Watt.

Watt left the Bureau of Outdoor Recreation in 1975, to become a commissioner and, ultimately, a vice chairman of the Federal Power Commission. This agency regulated interstate aspects of electric power and natural gas industries. He was appointed to the commission by Gerald Ford. But in 1977, the commission merged with the Department of Energy, Carter was president, and Watt left government life.

If his role in Washington had been controversial, it was no match for Watt's

Photos courtesy of Platte County Public Library.

new position. Watt became "President and Chief Legal Officer" of the newly-formed Mountain States Legal Foundation in Denver Watt's resumé states that the foundation is "a public interest law center dedicated to bringing a balance to the courts in the defense of individual liberty and the private enterprise system. The Foundation is a non-profit organization. . . ."

Newspaper reports said that the foundation "represented big corporate clients in court battles against environmentalists." In an Associated Press story at the time of Watt's nomination, it was reported that the foundation has "sued the Interior Department, and, indeed, a number of other state and federal agencies over what [Watt] believes is a pervasive intrusion by the government."

"The lawyer and his foundation have sued to: keep public utilities from lowering rates for the handicapped, the elderly and the poor; block extension of the deadline for ratifying the Equal Rights Amendment; keep the Phoenix, Ariz., school system from spending money to help high school dropouts; and block the Interior Department from restricting public access to wilderness areas."

The foundation also sued to keep the EPA from forcing the Colorado Legislature to adopt automobile emission controls or face losing federal highway funding, a move that wasn't entirely welcomed by Colorado officials.

Who is providing the money for this foundation? Joseph Coors, for one. Coors is the heir to the brewery fortune established by Adolph Coors and enlarged daily by thousands of cowboys in all parts of the U.S. Other contributors, according to an article in the Sacramento, California, *Bee*, include Chevron, Shell, Boise Cascade, a construction company, a mining company, electrical utilities in six Western states, as well as wealthy ranchers and oilmen.

Many of the cases Mountain States Legal Foundation claims to have won have actually been won by others. Mountain States has simply filed a legal brief, known as a "friend of the court" brief, in cases already begun. While such briefs

The following is an interview with James Watt, conducted by letter. It was not possible to conduct a personal interview with the Secretary, due to many prior commitments on his part.

WI: From statements made before your nomination, I understood that you considered yourself a supporter of the Sagebrush Rebellion. But after your confirmation, you said you want to defuse the rebellion. Would you clarify your position on this issue?

Watt: I am a Sagebrush Rebel. Like many other Westerners, I became a rebel because of the arrogant, dictatorial, uncompromising attitudes of the bureaucracy in recent years. That must be changed. It will be changed. What I am working on is a rapid evolution within the Federal government which will make it unnecessary to pursue revolution or rebellion from outside.

What we're talking about is restoring the "good neighbor" spirit that existed in the West for many years until recently. We had gotten along well with all interests. But in the last few years, we have seen the Federal landowner become a hostile landlord rather than a good neighbor. That cannot be tolerated.

Although the Sagebrush Rebellion is Western-based, the roots of the resentment are nationwide, as Ronald Reagan's landslide election demonstrated. Overregulation is affecting people everywhere. It's slowing down the economy and prolonging our excessive reliance on foreign suppliers of oil and gas and essential metals. Jobs are lost; shortages occur; inflation worsens. This great country has a big unfinished agenda and we can't let scarcity of essential goods become a policy.

Our first actions throughout the Administration and especially at Interior have been to strike at the root causes of the Sagebrush Rebellion, to eliminate abuses by the Federal government which have so incensed the people. We began a drive to eliminate unnecessary regulation and we are putting an end to wide-open Federal land grabbing. I have invited all the governors to recommend what Federal lands should be turned over to State and local governments for schools, parks and other public purposes and I met with the Western governors to receive their recommendations on land and water resources management and energy development. These are just a few of the initial steps—there will be many more. We need not bring about massive land transfers if we will properly manage the Federal resource base.

WI: I am particularly interested in Interior decisions regarding Wyoming. Would you please address the following issues, in regard to Interior policy? Jackson Hole airport, RARE II, strip mining, water rights, the Poudre River dam, cattle grazing on BLM land, predator control, oil and gas exploration, and air pollution.

Watt: I am now reviewing many of the issues raised by this question. There will be changes, but I cannot spell out now what all of the changes will be. I will, however, comment on parts of the question:

RARE II—That, of course, is the wilderness inventory study undertaken by the Forest Service in the Department of Agriculture. Interior has been conducting its own parallel studies under a 1976 law. I see the designations of wilderness areas as desirable, but I am concerned that lands identified as **not** suitable for wilderness designation be returned to multiple use as soon as they are so identified. We have to get land that is not suitable for wilderness back into multiple use so that we can get the maximum in economic and recreational benefits for the people.

STRIP MINING—I do not believe the surface mining law needs amending. The problem is not the law but the way it has been administered. We will rewrite the regulations that are not consistent with the statutes or the intent of Congress. There will be major changes in the management of the Interior's Office of Surface Mining and the way in which we implement the mining law. We will be depending upon the States, just as the law intended.

OIL AND GAS EXPLORATION—Every effort will be made to encourage additional energy production from the Federal lands, but we will insure that the environment is properly protected.

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Watt (second left) with other outstanding students from the class of '56.

The other issues you raise are important and are under review, and I will comment on them as soon as possible.

WI: Do you foresee any policy changes in the Bureau of Indian Affairs?

Watt: I strongly share in President Reagan's view on Indian sovereignty and self-determination. As an integral part of that, I am committed to helping the Indian peoples develop the many natural resources which they possess. We are going to tighten Interior's accounting methods to prevent situations such as the alleged theft of oil from the Wind River Indian Reservation. We will be meeting with the Indian leaders to take any other needed steps. The allegations which come to light at Wind River have caused us to take precautions to prevent the theft of oil and loss of revenues to the Federal and State governments from wells on the public lands as well as Indian lands.

WI: You stated earlier that the Interior Department has been "arrogant and dictatorial." Would you please elaborate on this statement?

Watt: As I said at the outset, I did find Interior policymakers who were "arrogant, hostile and dictatorial" in dealing with the States and users of the public lands. That is changing, largely because of the new top-level people who are being brought in to provide leadership. I am putting an emphasis on **communicating** with governors, with county officials, with local officials, with land users, with various groups. When I say "communicating" I mean **listening** as well as talking. Good neighbors have to be good listeners.

WI: How will you balance the interests of big business and environmentalists?

Watt: My schooling for my current position included experience as a developer, a preservationist, a regulator and an advocate. Now I am a decisionmaker, balancing all four of those viewpoints. Since I have looked at issues from all sides, I believe that I can be a fair judge how to achieve the balance which will satisfy the economic needs of the country while maintaining those environmental values so important to all of us.

WI: Environmentalists have criticized you for calling them "extremists." How will you use the input of environmental groups in formulating policy?

Watt: I do not consider all environmental groups as "extremists." I consider myself an environmentalist, in the mainstream of environmentalism. I have solicited input from many environmental groups. That's part of the communications we are stressing. It's essential to the balance which we are seeking.

WI: Because you are from Wyoming, many Wyomingites and Westerners finally feel they are going to get their way with the Interior Department. Are they?

Watt: As I said in discussing the Sagebrush Rebellion, we plan to put an end to dictatorial attitudes in the Department of the Interior. I hope and intend that, to a very large degree, Wyomingites and all Westerners will be getting their fair share of "their way" – we'll be sympathetic while keeping our national responsibilities ever in mind. Because so many of my responsibilities are in the West, that region will certainly receive a great deal of attention. But my responsibilities extend to all 50 States and the Territories.

WI: Recently, you fired a number of Interior Department employees. Why, and what kind of people will you put into these vacated positions?

Watt: Those whose resignations were accepted were the folks who came in with the previous Administration as political appointees. They were fired by the voters on Election Day. This is a new Administration and we are filling positions with new people who will carry out new policies, people who are committed to the "New Beginning" President Reagan has promised. Specifically, we are appointing competent professionals – a skilled management team of individuals with Federal and State Government experience and with experience in dealing with Interior-related issues.

WI: As I understand it, you were the third possible candidate for the post of Interior Secretary, after Malcolm Wallop and Cliff Hansen. Why do you think President Reagan wants a Wyomingite as Interior Secretary?

Watt: Wyoming is fortunate to have so many outstanding men and women. Malcolm Wallop and Cliff Hansen are two of the greatest, and I am most fortunate to count both of them as friends.

The President wanted someone in this post who understands public lands and public land issues, as I do. The Nation now has a President who understands multiple use of western lands. When I talk to him about "USGS" or "BLM," he knows what I am talking about – he knows these agencies which are so important in the West.

Furthermore the President is a supporter of the objectives of the Department and he really loves and understands the values under the stewardship of Interior. It makes all the sense in the world, therefore, that the President would have chosen someone from a western state as his Secretary of the Interior.

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reap a lot of good publicity, they really say nothing about the ability of the attorneys who file them.

Eventually, the foundation began filing suits of its own. It sued to challenge the National Park Service's plans to keep motorized rafts off the Grand Canyon's Colorado River. It sued to prevent the Interior Department from designating wilderness areas before Congressional hearings could take place. Last fall, in Cheyenne, the foundation tried to hasten the granting of leases by the Interior Department and the U.S. Forest Service for oil and gas exploration in the Overthrust Belt in southwest Wyoming. The foundation won the case. Watt said then, "We like heated homes, we like to have clothing and adequate food. To do that, it costs. In the costs are the natural resources. We can't justify plunder and rape of the land. On the other hand, we simply cannot lock into the resources as they are now and never cut another tree, plow another field."

One cause the foundation espoused over two years ago is that of keeping the airport in Jackson Hole operating. Jackson Hole Chamber of Commerce secretary Ralph McMullen said, "Watt will be more willing than Andrus to consider the economic effects of closing the airport . . . [he] pledged his cooperation and support on both of these key issues . . . two years ago. Since then, we have gotten legal advice from the Mountain States Legal Foundation on how to proceed, and their advice has been excellent. Watt won't take such a narrow viewpoint as Andrus has."

This, then, is the background of the man whom Ronald Reagan nominated for Interior Secretary.

Watt's opposers, the environmentalists, say that Watt will only be able to see one side of the picture at Interior – the production side. Watt managed to win over some of his detractors during his confirmation hearings, but others haven't budged. "We regard him as just possibly one of the very worst people that could have been nominated," says the Wilderness Society. Representative Morris Udall, D-Ariz.: "Watt appears to be one of those

Wyoming Issues interviewed Cliff Hansen, Alan Simpson, and Malcolm Wallop, for their opinions of Watt. Hansen's remarks are below. Simpson's and Wallop's remarks follow on pages 10-13.

WI: Did you suggest Watt's name to President Reagan for consideration as Interior Secretary?

Hansen: No, I did not. Quite some time ago, Paul Laxalt called me to see if he might recommend me to the President for the job. It appeared to me that I just couldn't take the job without going out of the cow business. Then, I heard James Watt's name suggested, and I thought it was an excellent idea, an excellent choice. I called Jim McClure, who is the chairman of the Energy and Natural Resources Committee, and I also called Senator Laxalt, and I said some very kind things about Jim Watt, because I admire him greatly.

WI: So you think he'll be a good Interior Secretary?

Hansen: I do indeed. He's had lots of experience. He was raised in Wyoming, he worked for Senator Milward Simpson for four years, he was head of the Bureau of Outdoor Recreation, and he was on the Federal Power Commission, in addition to serving in the Interior Department in another capacity. That experience in government, along with his experience as head of the Mountain States Legal Foundation, has given him an understanding of the problems of public land management few people have had an opportunity to have. He understands, too, how acute is our energy problem in this country, and nonenergy mineral problems, too. Those are both very serious problems.

WI: Would you explain about the nonenergy minerals?

Hansen: There is a very critical and growing concern over the nonenergy minerals. There are a number of materials we have to have in our defense establishment for which there are no domestic source of supply. These minerals are present in the public lands within the 50 states, but the policy we've been pursuing largely denies the opportunity to developers to go in and extract them. That's especially true in the state of Alaska. Jim Watt, believing that the public lands are too critically important to us to be tied up for any single use, has managed Mountain States Legal Foundation to challenge single usage in court. Ralph Nader and a number of other people have been doing the same sort of thing very successfully. A far larger group than Mountain States Legal Foundation would like to tie up the public land so as to deny use to anyone excepting those persons who want to go in and enjoy the land as a recreation area. I think that Jim Watt has the perspective and understands the needs of the country in a way that will make him an excellent secretary.

WI: The previous Interior Secretary, Cecil Andrus, said that the Jackson Hole Airport was not in the best interests of Grand Teton National Park, and should be moved. It was later mentioned that an alternate site for a new airport would be on land you own, in Daniel. Would you please comment on this?

Hansen: First, let me say that I don't know what Watt's position will be regarding the Jackson Hole airport. I have a very firm and definite feeling about it. I think that an airport, if it's to serve Jackson Hole, must be in Jackson Hole. I don't think the suggestion of moving it down to Daniel would be practical at all. We have lots of snow, normally, in the wintertime between Daniel and Jackson. There are a number of slide areas in the Hoback Canyon, and, with winds, that road can be blocked very quickly. If the government decides to shut down the airport in Jackson, I think the best place to have the airport is Idaho Falls. They do have a good airport out there, it's developed, they have navigational aids, and there is a town there. One of the problems with the Daniel proposal is that nobody lives there. There aren't any services there, and I can't imagine a commercial airline wanting to fly into a place like that.

WI: What about your property in Daniel?

Hansen: The editor of the Jackson Hole _News_ called me, and he was the first one to tell me that some land which we own down there was the proposed site. That's

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the first that I heard of it. I didn't even know where the land was, and I've never inquired, because I was opposed to it then and I'm opposed to it now. The fact that it might involve some land we own makes no difference as far as I'm concerned. I'm dead opposed to it. I think it's wrong, I think it's ill advised, it would be very costly, and highly impractical.

WI: I'm glad we set the record straight on that. Now, I want to ask you about Watt's association with Mountain States Legal Foundation. Do you think his association indicates a conflict of interest?

Hansen: I think that before the Mountain States Legal Foundation came into being, the environmentalists and those persons who saw no danger in pursuing a policy which made us so dependent on foreign sources of supply were taking the government to court at every opportunity and bringing about delay and procrastination. The thing that really irks that group of people now is having someone on the other side do the very same thing that they were doing, going to court to establish the will of the Congress. I think that's precisely what the foundation has done. It's gone into court and made a good presentation to the court, spelling out precisely what was intended by a number of these laws. I think, in a word, that the Mountain States Legal Foundation has restored a balance that has been lost for some years. I don't think there will be any conflict of interest. It may very well be, as a matter of fact, that James Watt or his department could try to do something that would result in the foundation challenging the department and Mr. Watt. I don't rule that out as a possibility.

WI: Would you comment on Watt's declaration that he is not going to change the regulations surrounding strip-mining, but that he will change the way the regulations are handled?

Hansen: Secretary Andrus' intention, and certainly the policy that evolved from acts of his, was to delay, frustrate, postpone and tie-up steps that were being taken in full conformity with the law. I would suspect that what Jim Watt will do is to cut away a lot of the undergrowth and the delaying tactics. My guess is what Jim Watt will do is expedite the processing of applications and to expedite other government actions in order to make better, quicker use of our natural resources. In the long run, I think that's bound to be a better conservation practice, because if we got shut off from the oil that's coming out of the Persian Gulf area now, this country would just want to rush headlong into the crash development of all the domestic energy resources we have. If that were to come about, we would have far less attention paid to proper restoration and reclamation than we can have now by anticipating the situation.

Former Senator Cliff Hansen.
Photo courtesy of the Hansen office.

WI: What do you think Watt will do for Wyoming and the West?

Hansen: I'm sure that Watt has a feeling and love for our landscape as not everyone throughout the United States does. He has a sensitivity to the country. His roots go back a long way and go deep in to Wyoming. I think that says something about what his attitudes will be. I think he understands, far better than do most people, what the problems are. I think he's going to do the kind of job that needs to be done for the country now, aware of the potential we have for serving the nation's needs with Wyoming resources, and, at the same time, with a loving concern for Wyoming that will insure that we don't rape the West. I'm enthusiastic about Jim Watt. **WI**

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that would unravel and unroll many of the environmental gains of the last few years. Watt's idea of balance would be to take someone from the coal companies and send them down to [the Office of Surface Mining] to make sure it's not going to work." Brock Evans of the Sierra Club: "There has been talk of balance, but it only seems to mean to Watt more and more exploitation of what few unspoiled lands are still left."

The National Congress of American Indians was initially against Watt. Director Ron Andrade said that others rumored to be in line for the cabinet post would be acceptable to Indians, but Watt wasn't. "He's been actively opposing Indians and yet now we find he's supposed to be our trustee," Andrade said. "It's kind of like how they used to put the old cavalry generals in charge of the Indian agencies." But Andrade later changed his position, saying that the group might drop its opposition because of Watt's apparent reversal of earlier positions. Watt said during confirmation hearings that he would follow Reagan's Indian policy, and tribal leaders seem to find Reagan's policy favorable. Other Indian critics were less satisfied, because, they say, when Watt reversed himself he then came into conflict with some of the very same Westerners who supported his nomination.

Likewise, some environmental groups changed their tune, although they were still irked at being referred to as "extremist" by Watt and his supporters. They pointed out that the so-called extremist groups were actually moderate organizations like the National Wildlife Federation and the Audubon Society.

Political cartoonists also had a hey-day during the time after Watt's nomination and before his confirmation. Watt was variously depicted as a wolf, a rapist, and a light bulb. He was also shown in the backpocket of developers, tearing the United States off the globe, and shocking wildlife in national parks and forests. There were puns made on his name, along the line of the one in High Country News (Jan. 9, 1981): "Is this an Interior Secretary or Watt?" Environ-

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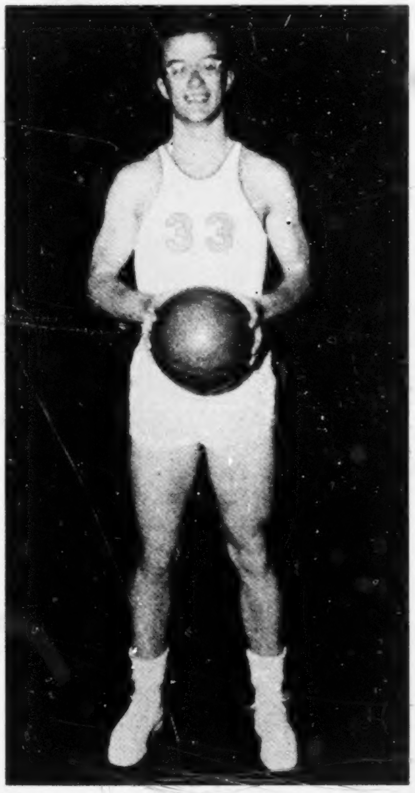
mentalists are surely watching the man, waiting for one wrong move.

However, Watt's supporters discount the charges made by environmentalists. Senator Malcolm Wallop, R-Wyo., says, "He has a terrific record in parks and recreation, and, in conversations with me, he has made a commitment to the revitalization of America's older parks, such as Yellowstone and Grand Teton." And the topic of multiple use frequently crops up when conversing with Watt's supporters. Senator Alan Simpson, R-Wyo., says, "It will be a new game with Jim Watt, because he believes in the exact language of the statutes of the United States which describe stewardship of national lands in the context of multiple use. Jim Watt is totally in line with multiple use concepts of public land, and brings rare skills to a tough job. The people of America have nothing to fear from James Watt."

John Allen echoes this last statement of Simpson's, saying, "Watt's not as dangerous as most people would have us believe. He's a conservationist and believes we have to protect our resources as well as use them. He's an excellent choice."



Watt was on the basketball team . . .

Don Sherard states, "James is going to be conscious of proper environmental safeguards on the one hand, balanced with the sensible, reasonable development of our resources on the other hand. I feel that very strongly."

On the question of conflict of interest, Sherard continues, "I don't see any conflict of interest at all when a lawyer severs his relationship with a particular client and goes into office. I do not see a conflict of interest at all. As far as James Watt is concerned, he's going to weigh the facts as they come across his desk and make independent decisions. No question about that."

Casper rancher Tye Moore says not to worry about conflicts of interest, because Mountain States Legal Foundation will "probably turn around and sue [Watt], too."

Most of Watt's supporters think they know the real reason behind the environmentalists disapproval of Watt. Al Simpson says that environmentalists are upset because Watt used the courtroom to counter the environmentalists, just as the environmentalists had used the courtroom to battle the Interior Department. Wallop agrees with Simpson. "It is true that Watt is not without controversy, for he has used tools developed by public interest groups in the 1970s to provide legal and administrative balance to the Interior Department and other bureaus of government."

Wallop also says that "the West and Wyoming will be well-served, and will find a friend in the Department of Interior for a change . . . . He is a great protector of western water values and quality of life."

What changes might be expected from the Interior Department with Watt at the helm?

Watt says he will make energy his top priority. Much of the energy resources are to be found in the West, on federal land. He also wants to make the process of obtaining a lease for coal, oil and gas

WI: Senator Simpson, would you give a general impression of your feelings toward James Watt?

Simpson: Well, he's forceful, but he's fair, and he's going to leave his imprint very heavily on the Department of the Interior.

WI: Would you give an example of Watt's fairness?

Simpson: Yesterday (February 18), he made a very fine appointment. He named as assistant secretary of the U.S. Fish and Wildlife Service a founder of the Wilderness Society. This is the kind of thing that people don't expect from Jim Watt, those who do not know him, but it's exactly the kind of thing I expected, because I know him so well.

WI: How long have you known him?

Simpson: I knew him when he was at the University of Wyoming (1956-62), and in 1962, I was campaign manager for my dad's race for the United States Senate, and Jim Watt was research director and the legislative issues man for the campaign. Doug Baldwin, who is now head of all media for the Department of Interior, was dad's press secretary.

WI: Do you think Watt will give Wyoming and the West any special treatment?

Simpson: He will be more attentive to them, and he will understand them better, but Jim is not selective (about favorable decisions). He's just a finely balanced, attentive human being. But, obviously, when you've been born in Lusk and lived in Wheatland and went to the University of Wyoming, your interest is Wyoming, so I'm sure that he will be paying attention to the issues that concern Wyoming. That's a natural thing. One of the things he's done already is send out a notice around America to municipalities which deal with the

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BLM, saying "tell us what kind of anguish you're going through, and we'll try to accelerate the process so that we can release forty acres of sagebrush to you so your community can develop." This is what's holding up the development of Rock Springs and Gillette and (other) Western cities. Here off on the border of town is twenty thousand acres of BLM land with just clay and sagebrush, and it takes the cities about eight years to get the BLM to do something with it. Watt's actually cited a case where a school district in Nevada has been trying for eight years to get three acres for an athletic field. And Jim Watt said, "Look, give me the survey and I'll approve it." So that's what Watt is up to, cutting through the great pile of bureaucracy.

WI: How else has he cut through red tape?

Simpson: He's got everybody sitting straight up at their desks at Interior. He just said, "Give me your resignations, and we'll talk about reasons later. Some of you may be hired back, but some of you may not." That certainly gets people's attention.

WI: Watt has said that he is not going to change regulations as much as he is going to change the way they are handled. He said this in relation to strip mining in particular. Would you explain what he had in mind?

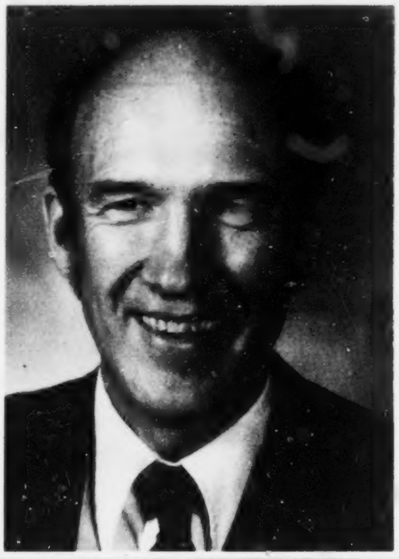
Simpson: He's not changing the laws, he can't – that's for Congress – but he is certainly going to shake up the management of the Office of Surface Mining. These people just get immobilized in detail and trivia, and don't understand the West.

WI: Could you give me an example?

Simpson: Well, some people say you can't dig in Wyoming because if Wyoming had a 32 inch rainfall, the hillsides would disappear. And we say, "Pal, we ain't had a 32 inch rainfall in Wyoming since the end of the ice age." That's what Watt is hammering on, to let the states distinctively care for themselves. Wyoming has one of the best land reclamation laws in the country, so good that the Feds stayed away from it even when Cecil Andrus was in there. You'd think that people in Washington who talk about surface mining don't realize that in every state of the union there is a peculiar group consisting of Democrats and Republicans with a lot of the state's best interests at heart – it's called the legislature. You'd be surprised how little they (those in federal government) know of federal reserve water rights, the difference between park service, forest service and BLM land, the difference between the permit process and the doctrine of prior appropriation of water. They should just put away their paternalistic patter and let the states, which know what's going on in the states, take care of themselves.

WI: Thank you for your views, Senator.

WI



Senator Alan Simpson.
Photo courtesy of Senator Simpson's office.

exploration a faster one than it was during the last four years. In addition, he wants to defuse the Sagebrush Revolution without ceding federal lands to the states. He said, during his confirmation hearings, that the Sagebrush Rebellion was "caused by the arrogant attitude on the part of the BLM. It's a management problem and not a congressional problem. You do not have to change laws" to solve it. Presumably, the BLM will be ordered to cease being arrogant, so that Sagebrush Revolutionaries will relax.

During confirmation hearings, Watt said he had "the deepest concern that the environment of the West will be damaged by crisis-oriented, unreasonable programs to develop (its) energy potential. All too often, the federal government moves in a crisis, not with the precision of a surgeon's scalpel, but with the force of a meat ax. Those of us who love and are committed to preserving the beauty and values of our environment fear this possibility. We want the right kind of development to come over time, not the wrong kind of development to come in a crisis."

Watt has also said that he would like a new assistant secretary's post, for the primary purpose of handling Indian affairs. "One of our most important responsibilities will be seeing to it the nation carries out its responsibilities as set forth in the trusts and treaties that pertain to the American Indian tribes," Watt said during confirmation hearing.

Other proposals from Watt include following state water laws in providing water for industrial development, and cataloging all strategic minerals underlying federal lands. Watt has said that his confirmation as Interior Secretary will enable him "to cure the nation's energy program of paralysis by analysis."

Watt has stated that he will stay out of cases undertaken by Mountain States Legal Foundation prior to his being nominated for the Interior post. The following list states some of the things that Watt will be able to control to some degree as Interior Secretary, regardless of Mountain States' involvement with these issues.

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Designations of endangered and threatened species under the Endangered Species Act, and the authority to determine when such species' habitats are jeopardized by a federal project.

National Park Service decisions such as allowing motorized rafting on the Colorado River, and whether or not to terminate the Jackson Hole airport.

Decisions such as how much vehicle traffic will be allowed within National Wildlife Refuges.

Designations of Wild and Scenic Rivers, and determining whether or not to block development on a river pending congressional action.

Proposing wilderness areas under the RARE II program, and preventing destruction pending congressional action.

Determining terms and conditions of grazing permits on Bureau of Land Management lands.

Management of predator control on federal land.

Determining mining and reclamation requirements, including enforcement against violators, under the Surface Mining Act.

Control of oil and gas exploration and leasing on BLM land.

Determination of the areas open to offshore leasing, and control of terms and conditions of those leases.

Control of exploration and mining for hard minerals such as gold and uranium on federal land through the U.S. Geological Survey.

. . . and was a manager of the varsity football team.

WI: Is it correct that you recommended James Watt to President Reagan, and, if so, why did you recommend him?

Wallop: That is correct. When we had lost the opportunity to have Senator Hansen, it appeared that we needed to move rather quickly and forcefully to get somebody of the same caliber who had a strong reputation as an administrator and who was familiar with the workings of Capitol Hill and the agency itself. There aren't very many of those folks around, and I knew that Watt had not only Capitol Hill experience as Senator Milward Simpson's administrative assistant, but he had also worked in both sides of the Interior.

WI: What do you mean by "both sides of the Interior?"

Wallop: There's an inherent conflict in the Department of Interior, because one side's the conservation side, and one side's the production side. And Watt had worked in both sides of that, and had a distinguished career in private enterprise as well. I didn't know of anybody else in the country who had those kind of qualifications. Obviously, there were a number of names coming in to the Reagan people, with a variety of those experiences, but none of them had the same breadth of experience as Jim Watt did.

WI: Do you feel it was important to get someone from the West as Interior Secretary?

Wallop: I do, because the Western experience is translatable to Interior functions anywhere in the United States. It is not equally translatable to have somebody from the East who is not familiar with public land states problems, and who only has the experience with, say, offshore leasing and national parks to recommend them. A Westerner has not only the offshore leasing experience, but also has experience with national parks and BLM

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and the variety of issues there. So, it seems to me it's broader to have a Westerner who has a fundamental background in the agency than an Easterner.

WI: Some people have said that there will be a conflict of interest for Watt as Interior Secretary, because of his experience with Mountain States Legal Foundation. What do you think?

Wallop: I think that anybody taking over the Interior position comes at it with some kind of conflict of interest. A straight-line environmentalist would have an inherent conflict, as would a straight-line production man. The Mountain States Legal Foundation does no more nor less business with the Department of Interior than a number of other businesses. What happens nowadays, people seem to forget, is that we have a government that operates a good deal more in the sunshine than any before. The conflicts, or potential conflicts, are visible and widely known, before anybody takes a job. There's an underlying assumption, which I think is critically damaging to the American ability to function, that a man cannot be loyal to the master whose uniform he's wearing. In other words, Watt worked for people in the Mountain States Legal Foundation, and he did a job for them under the circumstances that were set up. He also demonstrated that he could work for a United States senator, he has demonstrated that he could work on both sides of the Department of Interior, and now he has both hats of Interior on and he works for President Reagan. It seems to me that the test of a man is not what he did in an individual segment of his life, but how he has served his whole life and how he proposes to undertake his life for his new boss.

WI: So you don't see any conflict?

Wallop: My feeling is that he will be utterly loyal to the laws of the land, and, I think that some who support him most ardently now will find themselves at loggerheads with him before this year is over, because Watt is a man with deep commitment to the written law and will enforce it as he sees it written. That will put him in conflict with some of the people he has just been serving.

Senator Malcolm Wallop.
Photo courtesy of Senator Wallop's office.

WI: Do you think that Wyoming can expect any kind of special treatment or special benefits from Watt?

Wallop: I'm not certain we'll get any special benefits, but we will have the benefit of understanding. Jim Watt is a man who knows our state and knows our state's representatives in Washington. And it's obvious that it is easier to make contact with somebody with whom you have a personal relationship, who has a familiarity with the states that you represent, than it would be with, say, some of the former secretaries of the Interior who were relatively foreign to our part of the country. I think that Wyoming has an ear that understands what the state is about, and, while I don't think that makes for special favors, it certainly makes for an understanding when somebody says, "We've got a problem here." WI

Control of the uses of federal water, through the U.S. Geological Survey, such as allocating water from federal reservoirs between industrial interests and farming, ranching and recreation interests.

Control over Indians and Indian lands, through the Bureau of Indian Affairs.

Authority over violations of PSD clean air standards for SO_2 in National Parks, Monuments and Recreation Areas.

Discretion over wildlife management and protection programs, through the Bureau of Sport Fisheries and Wildlife.

Regulation of the terms and conditions for taking migratory birds such as geese and protecting hawks and falcons, through the Migratory Bird Treaty Act and other federal statutes.

Determination of the situation under which golden and bald eagles may be destroyed, through a federal eagle protection act.

Determination of the terms and conditions of utility rights-of-way for such things as transmission towers across BLM and National Parks land.

This list is far from exhaustive, but will give the reader some idea of the power James Watt can have, if he chooses to take it.

What Wyoming can expect from Watt, most likely, is an increase in oil and gas exploration leases. However, Watt should understand that Wyoming will also expect something from him.

More than anything else, Wyomingites expect their public officials, whether at the local, state, or federal level, to be accessible. In fact, we in Wyoming expect our officials to be our friends. We like to be able to call our representatives in government by their first names, yet we expect them to do their jobs. While people in Wyoming have no authority over James Watt, they will be vocal if they do not find him accessible. We are not asking to agree with James Watt, or even to love him. We simply want to be able to like him. WI

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This column will review recently published books which are about Wyoming, or written by Wyoming authors.

Cooke, who is a statistics professor at the University of Wyoming, gives his readers only one hint as to his vocation. There is just the slightest of jabs at economists given in his book, no doubt a result of the ongoing rivalry between statisticians and economists. Cooke's second novel will be published this year. Photo by Becky Woodcox.

THE NEMESIS CONJECTURE

by William Cooke
Fiction. Leisure Books, $2.25.

The Nemesis Conjecture is the story of Wesley Ritter, a lieutenant on the Denver Police Department's Vice Division, Ritter's young daughter, and his girlfriend. Early in the book, Ritter's daughter is killed in a hit-and-run automobile accident, and the story involves Ritter's attempts at revenge. Ritter has been investigating a prominent Denver businessman – one who is also involved in prostitution and gambling – and Ritter is sure the racketeering businessman is behind his daughter's death. There are other deaths in the book, too, and Ritter has a hard time convincing his fellow officers that these deaths are not his doing, since he always seems to be in the right place at the wrong time.

Like all good mysteries, the suspicion falls on nearly everyone. The killer first appears to be one person, then another. And, as usual, the killer's identity is a surprise – it's someone dismissed early in the novel.

Perhaps the best feature of *The Nemesis Conjecture* is this twist at the end, which takes both Ritter and the readers by surprise. For those readers who think surprise endings are unfair, it should be stated that allusions to the ending are made throughout the book. The readers can figure out the ending by using Sherlock Holmes' reasoning – that once the impossible has been eliminated, that which remains, however improbable, must be true.

There are some cliches in this novel, like the madam of the Boulder brothel with the heart of gold, but the detail and characterization are generally good. All of Cooke's characters, no matter how minor, come to life. One particularly good character sketch involves a faceless, nameless "gray old man," introduced in the first pages. This character keeps the reader interested because of the enigma he presents. However, he is presented almost too well, causing the reader to give him more importance than he deserves.

Unlike authors unfamiliar with the locales they use, Cooke knows his way around Denver, and drops liberal hints for his readers. For those readers also familiar with Denver, it is easy to visualize the location of the cafe in the opening scene, and Red Rocks and Morrison come to life during the scene with the automobile accident.

Cooke's use of flashback is sometimes confusing, especially at first. Once the reader realizes that flashback is being used, the story is easier to understand. Some device, such as quotation marks or italics, should have been used to set off these remembered sequences.

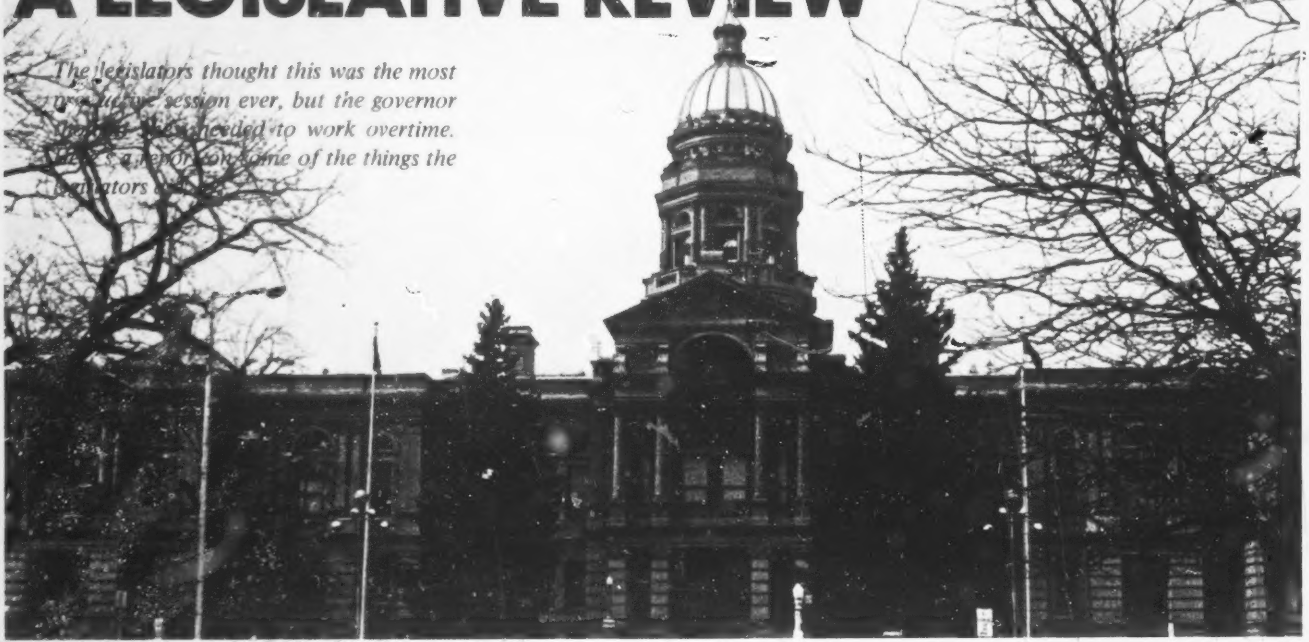
The title also leaves something to be desired. *The Nemesis Conjecture* sounds an awful lot like the titles of Robert Ludlum's suspense novels, and, perhaps, it is intended to do so. However, book titles probably follow fashions like everything else.

The Nemesis Conjecture, Cooke's first novel, is a classic whodunit, with enough plot twists to keep even the most hardened reader interested.

–Kate Missett WI

Yeas & Nays:
A LEGISLATIVE REVIEW

The legislators thought this was the most productive session ever, but the governor thought they needed to work overtime. Here's a report on some of the things the legislators [illegible]



Text and photos by Becky Eddins Woodcox

Wyoming's legislators had plenty of chances to shout their ayes and noes during the 1981 session. Boasting a new record, a total of 899 bills were introduced into the House and Senate chambers – 22 more than the record 877 set in 1977, and 202 more than in the 1979 session. The "46th" was faced with a variety of legislation to consider, ranging from water to severance taxes, fireworks to speed limits, reapportionment to salaries.

The 40-day session was jam-packed with issues, and despite best efforts, the governor carried out an earlier threat by calling a special session. Many felt that even with the extended session, many important issues were left to die, including an important bill to establish a wildlife trust fund, several bills dealing with water, and the much debated speed limit bills. Despite accusations of lack of management and too much fooling around during the early days of the session, many legislators defended the "46th" as the most productive ever.

Up for first consideration before the legislature was a bill providing $3 million to cover the expenses of the 1981 session. The bill was zipped through both the House and Senate on the first day of the session and landed on the governor's desk for signature the same day. The money provided salaries and expenses for the legislators, and a 12 percent cost-of-living raise for the legislative staff.

Certain issues dominated the session, and perhaps could be considered its top priorities. Six of the "bigger" accomplishments of the 1981 legislature are discussed below.

Appropriations

Appropriating the state's millions is a task faced in every session of the legislature. The 1981 session was no exception, as representatives and senators attempted to devise a budget for organizations calling for more money than was available.

Spending a total of $43.2 million ($31.9 million from the state's general fund, $9.4 million in federal funds, and $1.9 million from other state funds), the legislature's supplemental appropriations bill will provide extra funds to various state agencies for use in fiscal year 1982.

Amounts compromised upon by the legislature, among others, include:

> $5.3 million to the state Aeronautics Commission for improvement and development of airports throughout the state.
>
> $5 million for water project studies (Little Snake River water development project and new reservoir on the west slope of the Sierra Madre).
>
> $400.00 to attempt to control mountain pine beetles.

—$122,000 to the University of Wyoming to partially compensate for a loss of federal funds, which will go towards enabling students in nursing, pharmacy, and social work programs to complete their degrees.

—$30,000 to establish Edness Kimball Wilkins State Park east of Casper.

Capital Construction

One of the biggest bills to pass this year's legislature is a $37 million appropriation to fund capital construction projects around the state. This measure has also received the governor's approval.

The University of Wyoming is a major recipient – $22.4 million. This is the largest amount given to any state agency. Of the total appropriation, $18 million is earmarked for construction of the new College of Engineering building. Approximately $2.3 million will go toward the purchase of equipment for the Agriculture building, the arena auditorium, and the power plant.

Wyoming's Department of Administration and Fiscal Control will receive $5.3 million, of which $2.4 million will fund handicapped access projects, and $1.5 million will pay to build a new warehouse.

Other projects on the capital construction list include:

—$2.4 million for making state facilities more accessible to handicapped.

—$5.3 million for a new nursing care facility at the state sanitarium at Basin.

—$602,200 to the state Recreation Commission, $287,100 in state funds and $315,100 in federal funds, for various projects at state parks in Wyoming.

Lesser amounts of money, mostly for remodeling and repair projects were received by the Agriculture Department, Law Enforcement Academy, State Hospital in Evanston, State Training School at Lander, new Wyoming Women's Center to be located at Lusk, State Honor Farm at Riverton, and the Industrial Institute at Worland.

Mineral Royalties

A bill that places a limitation on the amount of federal mineral royalties state agencies and programs can receive was given final legislative approval.

Under present law, royalty payments are automatically distributed to several state agencies. The new bill places an inflation formula limit on the recipients—state agencies and programs now receiving federal mineral royalty monies will, all together, have a $200 million ceiling. The excess will be placed into a special capital development and impact assistance account for legislative distribution. Mineral royalty monies can go to state highway funds for county roads, the University of Wyoming, the school foundation fund, a capital construction account for cities, counties, and towns, and an expansion of monies to state highway funds.

The bill, which has a 1983 effective date, also calls for a select committee to study the distribution of federal mineral royalties.

Reapportionment

The reapportionment decision did not come easily – it was a hotly debated issue in both bodies of the legislature.

The House first approved a version of the bill depriving tiny Niobrara County of a seat in that chamber because of its low population. Niobrara has less than half of the approximate 7,700 residents required to qualify for a seat set by a strict population formula. Niobrara regained its seat in the House as Senate members argued that the Wyoming Constitution requires that each county make up a House district. The compromise decided upon (and given the governor's approval) creates a 64th seat in the House to be filled by Niobrara County. Both bodies agree that this measure will at least attempt to keep Niobrara's representation in the House. In the event that the courts decide that this action violates equal representation standards, the new 64th seat will be omitted. The House will return to 63 seats, and Niobrara County will be placed in Wyoming's first joint district with Goshen County.

Reapportionment does not end with the Niobrara decision. Because of changes and increases in the state's population since the 1970 census, some counties will gain seats in the legislature, and others will be losers.

Sweetwater County, the biggest winner, will gain 2 new seats in the House, bringing its delegation there from three to five. The county also gains a seat in the Senate, increasing its membership there to three.

Also winning additional representation in the House are Campbell, Converse,

Laramie County's delegation in the House will be two members smaller in future legislatures as a result of the reapportionment decision.

Senators Majhanovich and Sedar post their opposition to the "55 mph" speed limit.

Platte, and Uinta counties. Each will gain one new seat.

Laramie County will lose 2 seats in the House, reducing its delegation to nine. Also, the county's membership in the Senate will drop from five to four. Albany and Natrona Counties will be minus one seat apiece in the House, and Park County loses one Senate seat.

Juggling will be done and changes made in four Senate districts. The combined South Lincoln/Uinta and North Lincoln/Sublette/Teton districts will become separate Senate districts, giving Lincoln and Uinta counties new representation in that chamber. Sublette and Teton will remain linked.

The Goshen/Platte Senate district will be split, with Platte becoming a separate district. Goshen County will be joined with Niobrara. Converse County, which is currently joined with Niobrara, will gain separate representation in the Senate. The Goshen/Converse/Niobrara change will not take place until 1984 in order to leave current Senate terms undisturbed.

Severance Tax Increase

Although Governor Herschler had requested a 3 percent increase in the severance tax on oil and natural gas, he gladly signed into law a 2 percent increase passed by the legislature – Wyoming's first severance tax increase since 1977. The governor was quoted as saying "two percent is better than nothing" (Casper *Star-Tribune*, March 1, 1981).

Taking effect immediately, the new bill will raise the severance tax on oil and natural gas from 4 to 6 percent, and is expected to bring about $95 million into the state during the coming fiscal year.

How will the millions be distributed? A rough breakdown shows that:

- 1/2 of the revenue will go to cities, towns, and counties,
- 1/3 will go to help build and maintain highways,
- the rest will be put into the state's Water Development Account and the state's Permanent Mineral Trust Fund.

Senator Bud Daily takes a moment to relax before the Senate convenes for the afternoon.

School Finance

"Take from the rich and give to the poor" seems to be an underlying theme in the measures passed by the legislature, and approved by the governor, to answer the school finance question – one of the major issues facing the "46th." The legislative package was sponsored by the Select Committee on School Financing and is in response to the state supreme court's ruling of January, 1980 that Wyoming's present funding system is unconstitutional on the grounds that it creates inequities between the rich and poor counties. The court gave the legislature a July, 1983 deadline to come up with a more equitable method of school financing.

Senate and House members debated on several different aspects of the measure, and finally compromised on a package that

- includes a proposed constitutional amendment converting six of the 12 mill county tax to a statewide tax for support of schools. The proposed amendment also authorizes the legislature to dip into a portion of excess revenue generated in the richer school districts by their 25 mill school levy and to redistribute that money between the poorer districts in an attempt to equalize funding.
- creates a school construction program.
- creates a school construction reserve fund to guarantee local school bond issues and to improve the bond ratings of local districts.

The fine details of the effects of this package on each school district are unknown at present. The proposed constitutional amendment will go before Wyoming voters on the 1982 general election ballot.

A few other measures of interest receiving a "do pass" from both bodies of the legislature include:

- a "good driver's" bill authorizing extensions of drivers' licenses to those who have no moving violations or whose licenses have not been revoked or suspended.
- a bill to bring large gas processing and synthetic fuel plants under the provisions of the Industrial Siting Act, Governor Herschler's major legislative priority for this session.
- a provision increasing sales and utility tax rebates to the elderly and disabled.
- a $3 million appropriation to cover expenses of the Big Horn River water litigation.
- a resolution calling for the Department of Interior and others involved to cease their efforts to move the Jackson Hole Airport from its present location.
- a measure locating the new women's prison in Lusk.

Future legislatures will undoubtedly be faced with many of the issues left unresolved in the 1981 session. A large majority of the bills introduced into the House and Senate during the "46th" were left to die at various stages of the legislative process. Bills not approved, other than those mentioned earlier, include:

- minimum wage rate increases for tipped employees.
- statewide telephone system facilities.
- various additional severance tax increase measures.
- anti-abortion measures.
- bans on smoking in public places.
- fireworks ban legislation.
- minimum stream flow legislation.
- University of Wyoming football coach contract.

Race and Origin Population Figures for Wyoming

The Census Retrival and Information Service is continually receiving updated and more specific figures concerning Wyoming's population in 1980. The following chart lists the latest race and origin figures.

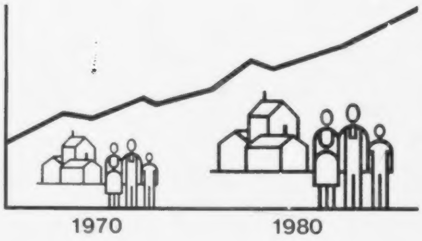
by Judy Dennison and G. Fred Doll

The 1980 Census of Population and Housing Reapportionment Tape (#PL94191) is now available. Wyoming figures on this tape include total population figures, plus total figures for six race and origin categories, including White, Black, Indian (American Indian, Eskimo and Aleut), Asian and Pacific Islander, Spanish origin, and other. Data is available for geographic areas down to enumeration districts, and, for places of 10,000 or less population, down to individual blocks. Available printed reports

Area Name	Total	White	Black	Indian	Asian	Other	Spanish
Albany County	29,062	27,499	294	155	280	834	1,870
Laramie City	24,410	22,981	293	114	269	753	1,578
Rock River Town	415	404		3	2	6	38
Big Horn County	11,896	11,668		65	25	138	455
Greybull Town	2,277	2,251		8	8	10	37
Byron Town	633	627		5		1	49
Cowley Town	455	451		1		3	10
Deaver Town	178	177		1			
Frannie Town	121	121					
Lovell Town	2,447	2,366		12	2	67	167
Basin Town	1,349	1,306		13	9	21	29
Manderson Town	174	169				5	6
Campbell County	24,367	23,789	10	235	55	278	625
Gillette City	12,134	11,770	7	135	23	199	344
Carbon County	21,896	20,352	102	155	97	1,190	2,466
Elk Mountain Town	338	336	2				9
Hanna Town	2,288	2,172	7	12	4	93	184
Medicine Bow Town	953	926	4	10		13	61
Baggs Town	433	410		8	7	8	35
Dixon Town	82	82					1
Rawlins City	11,547	10,266	89	106	70	1,016	1,981
Sinclair Town	586	571		1	1	13	22
Encampment Town	611	604		3	3	1	12
Riverside Town	55	50		1		4	7
Saratoga Town	2,410	2,392		5	7	6	45
Converse County	14,069	13,679	11	109	20	250	697
Douglas Town	6,030	5,855	2	56	4	113	313
Lost Springs Town	9	9					
Glenrock Town	2,736	2,655	5	33	8	35	101
Crook County	5,308	5,274		22	6	6	19
Hulett Town	291	286		5			3
Moorcroft Town	1,014	1,005		6	3		5
Sundance Town	1,087	1,083		3	1		
Fremont County	40,251	35,014	31	4,417	106	683	1,264
Dubois Town	1,067	1,046	1	9	6	5	6
Hudson Town	412	387		18		7	17
Lander City	9,126	8,866	8	173	17	62	141
Shoshoni Town	879	860	1	6	3	9	49
Hudson Town	102	102					2
Pavillion Town	287	273		7	5	2	5
Riverton City	9,588	9,154	7	160	31	236	449
Goshen County	12,040	11,394	2	39	14	591	897
La Grange Town	232	225		1		6	9
Yoder Town	110	110					3
Fort Laramie Town	356	349		4		3	6
Lingle Town	475	462	1		3	9	15
Torrington Town	5,441	5,006	1	15	7	412	540
Hot Springs County	5,710	5,564	13	111	7	15	87
East Thermopolis Town	359	347	5	6		1	7
Kirby Town	129	126		3			2
Thermopolis Town	3,852	3,751	8	74	5	14	58
Johnson County	6,700	6,618	1	39	8	34	92
Buffalo City	3,799	3,749	1	27	4	18	54
Kaycee Town	271	271					
Laramie County	68,649	63,127	1,967	422	530	2,603	6,625
Cheyenne City	47,264	43,299	1,402	246	380	1,937	5,382
Cheyenne City	19	19					
Albin Town	128	123				5	5
Burns Town	268	265				3	9
Pine Bluffs Town	1,077	1,036				41	72

Note: Repeated names indicate separate enumeration districts. Also, Spanish is considered any ethnic group, not a race.

Area Name	Total	White	Black	Indian	Asian	Other	Spanish
Lincoln County	12,177	11,990	8	57	34	88	290
Afton Town	1,481	1,466		8	6	1	9
Thayne Town	256	254		2			
Diamondville Town	1,000	983		1	6	10	54
Kemmerer Town	3,273	3,190	4	29	16	34	94
La Barge Town	302	295	1			6	12
Cokeville Town	515	511		2		2	26
Natrona County	71,856	69,394	511	457	258	1,236	2,550
Casper City	49,651	47,794	438	277	205	937	1,970
Mills Town	2,139	2,080	1	30	11	17	760
Casper City	18	18					
Edgerton Town	510	498	1	2	1	8	8
Midwest Town	638	632		1		5	6
Casper City	1,336	1,319	2	3	6	6	12
Evansville Town	2,652	2,557	10	15	7	63	104
Casper City	11	11					
Niobrara County	2,924	2,905	1	9	1	8	27
Lusk Town	842	839		2	1		3
Van Tassell Town	10	10					
Lusk Town	808	797	1	6		4	12
Manville Town	94	94					1
Park County	21,639	21,133	15	81	65	345	781
Cody City	6,790	6,735		15	26	14	65
Meeteetse Town	512	504		3	2	3	7
Frannie Town	17	15	1	1			
Powell City	5,310	5,154	8	8	14	126	373
Platte County	11,975	11,716	10	48	18	183	573
Chugwater Town	282	277		3		2	3
Glendo Town	367	364		1		2	11
Guernsey Town	1,512	1,458		2	2	50	156
Hartville Town	149	141				8	31
Wheatland Town	5,816	5,697	6	32	16	65	264
Sheridan County	25,048	24,540	31	204	88	185	472
Clearmont Town	191	184		4		3	4
Sheridan City	15,146	14,803	22	128	58	135	330
Dayton Town	701	691			1	9	24
Ranchester Town	655	652		2		1	4
Sublette County	4,548	4,515	2	18	2	11	39
Big Piney Town	530	525	1	1		3	9
Marbleton Town	537	531		5		1	5
Pinedale Town	1,066	1,060		4	1	1	6
Sweetwater County	41,723	39,723	323	269	259	1,149	3,247
Granger Town	177	154	1			22	36
Green River City	12,807	12,133	52	65	71	486	1,281
Rock Springs City	19,454	18,523	226	93	178	434	1,262
South Superior Town	586	558	14	3		11	54
Rock Springs City	4	4					
Wamsutter Town	681	670	1	9		1	18
Teton County	9,355	9,237	3	38	24	53	132
Jackson Town	4,511	4,447	1	23	10	30	61
Uinta County	13,021	12,781	17	54	17	152	403
Lyman Town	2,284	2,234	1	9	5	35	67
Mountain View Town	628	622	1	5			13
Evanston City	6,421	6,269	13	33	12	94	245
Washakie County	9,496	8,825	7	48	34	582	810
Ten Sleep Town	407	407					1
Worland City	6,391	5,906	7	22	20	436	629
Weston County	7,106	6,979	5	73	21	28	78
Newcastle City	3,596	3,533	2	34	13	14	34
Upton Town	1,193	1,162	2	17	6	6	13
WYOMING	470,816	447,716	3,364	7,125	1,969	10,642	24,499



include county and census county division totals for the entire state.

More detailed information on population and housing will be available on Summary Tape File 1 (STF-1) tapes, at a later date.

For more information about the Census Retrieval and Information Service (CRIS), contact:

P.O. Box 3925
University of Wyoming
Laramie, WY 82071
(307) 766-5141

Room 302
Emerson Building
Cheyenne, WY 82002
(307) 777-7540

The preceding table gives the total figures for the six race and origin categories down to the census division totals.

VIEWPOINT

Senator Wallop is known in Washington for his strong stand on water rights. This editorial by Wallop tells us how he feels about one of our most precious commodities.

U.S. Senator Malcolm Wallop.
Photo courtesy of Senator Wallop's office.

by U.S. Senator Malcolm Wallop

Water . . . it is the sustaining nutrient for Wyoming and the West. It is as important to the development of energy as it is to the maintenance of our Western lifestyle, whether it involves fishing, timbering, grazing or manufacturing. As a new Congress and a new Administration begin, water will become a focal point for national debate and concern. Fortunately, with nine out of fourteen chairmanships in the Senate held by Westerners, the time has never been better to develop a creative legislative solution to certain water issues.

Looking at all the natural resources Wyoming possesses, water serves as the "linchpin" for all. Energy, agriculture, and industry can't be developed without this sustaining entity that swirls between all of these resources. We must develop the West's resources in light of water, and develop water in light of the West's resources.

The previous administration failed to keep an eye open for water, not realizing its linchpin effect on other resources. As a result, an $80 billion push for synthetic fuel development was set in motion without any regard to where the water would come from or how much was needed. We simply cannot develop our country's energy resources in striving toward an OPEC-free energy future without contemplating more water storage or water diversion.

So, what should the federal government's role be?

First, President Reagan has committed his administration to developing water policies that are sensitive to Western concerns. No single national water policy can deal with Florida, Wyoming and Alaska in a lump sum. It is important to encompass the geographical and climatic effects of a region, as well as affirm and maintain the traditional right of state eminence in decisions regarding water.

We must have water policies developed for the rest of the century and longer. Such policies must end the persistent struggle between the states and the federal government over who holds the power to make water resource decisions. Congress has continually deferred to the states' traditional authority to administer water, but various federal agencies have, mistakenly or brazenly, attempted to make water allocation decisions by their interpretations of federal legislation like the Clean Water Act and the Endangered Species Act.

The Fish and Wildlife Service has, for example, in its enforcement of the Endangered Species Act, attempted to require states like Wyoming, Utah and Colorado to manipulate existing uses of water rather than develop additional storage resources allocated to the state by compact. This is a clear abuse of the agency's authority to intervene in state water law through the use of federal legislation. The Wallop Amendment to the Clean Water Act reaffirmed Congress' intent that federal legislation not supercede or abrogate state water law. The point is, federal encroachments through environmental or navigational legislation can, as clearly as if it were expropriated, take away a state's right to administer water as guaranteed in its state constitution and solidified by compacts reached between states sharing a common drainage.

Developing a dynamic water policy also includes making decisions on some tough issues. One of the toughest – reserved rights – has been dangling for some time. The Reserved Rights Doctrine has never been recognized through legislation, but rather has been developed by conflicting court decisions.

Failing to resolve the reserved rights question results in a cloud on titles. As demand for water grows and it becomes more valuable – which nobody doubts that it will – the cloud created by the Reserved Rights Doctrine on any individual title to land or water will also continue to grow. When water shortages become too severe, water will be more valuable than the resources it ultimately helps to develop. At such a time, the federal government will enter into a political or economic fight over control of the water. The economic and political power ascendant at the moment could end up dominating, and thereby denying, the state's rightful role to control and allocate its power supply.

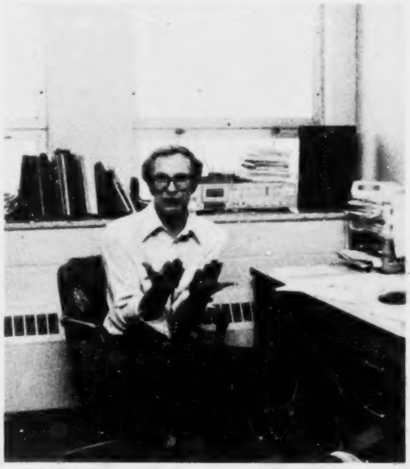
The longer we postpone resolving this issue, the more it's like patting a sleeping grizzly bear that you're not sure is hibernating or just dozing. And when you pat that critter on the head, you can never be sure if he'll just groan and roll over or wake up ready to eat you alive. That uncertain reaction, terrifying as it is, remains more acceptable than not acting at all. By failing to act on the reserved rights question, the states risk total loss of their ability to control their own water supplies.

To maintain and develop new supplies of Wyoming and the West's lifeblood – water – we need lucid policy decisions that continue to recognize the state's authority to administer water. We must make these decisions to set the stage for balanced water resource management for the rest of the century.

Until these decisions are made – and the ambiguities are resolved – it's almost impossible to pursue development of new sources of water supply or the development of the commingled resources, public or private, to sustain the quality of Western life or vitality in Western economies. These decisions are in the national interest, for in our region lies much of the security of American.

SPOTLIGHT

Is the water safe to drink? Harold Bergman, UW scientist, tests the water and lets us know. Bergman's research is very important, considering both Wyoming's short supply of water, and the impact the synthetic fuel industry can have on water.



Harold Bergman almost lives in his office and laboratory. Here, Bergman explains a point of his research.

by Kate Missett

The use of water is one of the primary concerns about the synthetic fuel industry -- especially whether or not water will be fit for human consumption after it has been used in an oil shale retort or a coal gasification condenser. This industry, soon to be a part of Wyoming's business world, must rely on scientific analysis to determine that the water is safe to drink after industrial use.

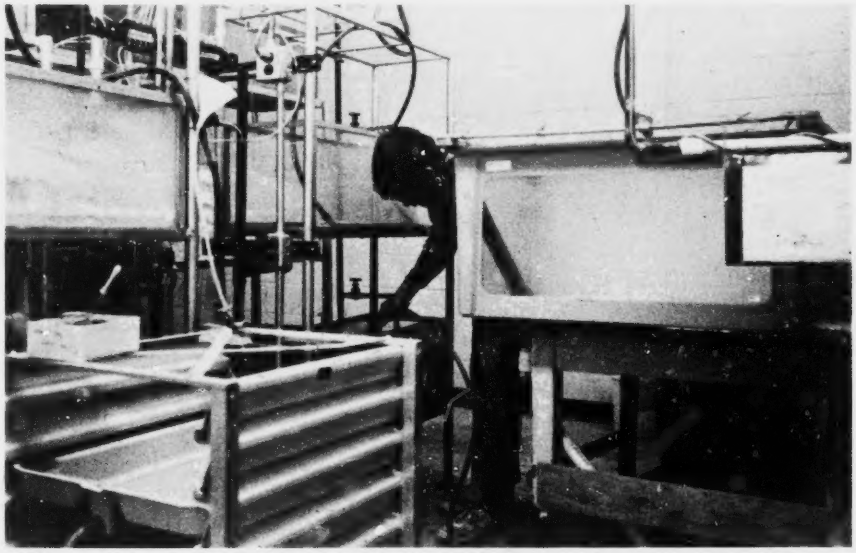
Much of the scientific analysis for the entire country is made by Harold Bergman, associate professor of zoology and physiology at the University of Wyoming, and his team of researchers. "The main thread of what we do," Bergman says, "is an evaluation of water quality problems associated with synthetic fuel development. The main emphasis has been on oil shale, underground coal gasification (with application to aboveground gasification) and tar sands water quality problems."

Bergman's research tests the ability of fish and other aquatic animals to live and grow in process waters from the various synfuel industries. Bergman and other aquatic toxicologists work under the premise that water which does not hurt fish will not hurt people. Bergman says, "This is not always true, but there is a body of knowledge (in aquatic toxicology) with a lot of different contaminants that suggests we can use the fish tests to predict what will happen to humans, too." This body of knowledge has a firm 25 year history of correlating effects between the fish tests and safety for human consumption.

In this testing, Bergman relates, "We do a series of tests and experiments that include a literature review, a rough chemical characterization, a series of toxicity assays with fish and other aquatic animals, and we determine the environmental fate of contaminants in process streams. The kind of data we collect can be used to determine what the impact will be. That's one category of use -- environmental impact assessment and projection. The other major, and more positive, use of this data is to use it to help design water treatment systems that will remove the things that most need to be taken out, to improve water treatment. It can also be used to write regulations, to require treatment."

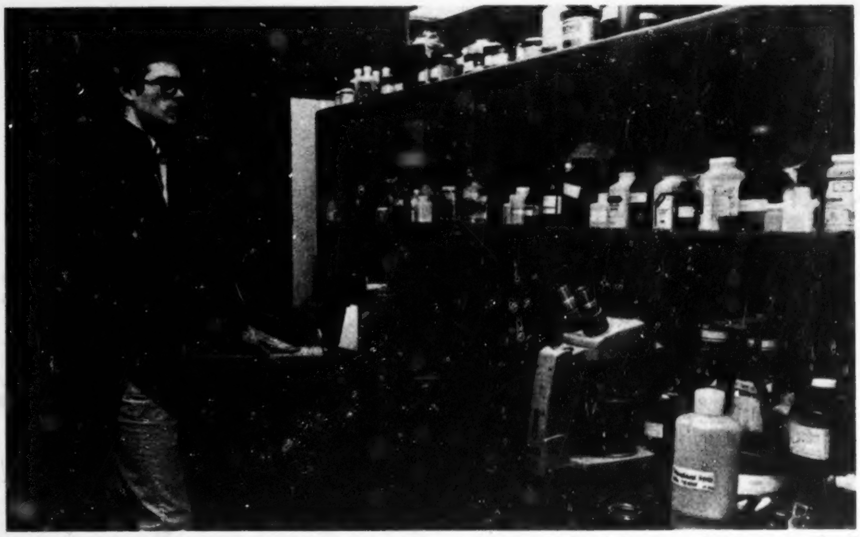
Each test is important. The literature review, concerned with previous water quality research, simplifies the subsequent tests. The untreated process waters "are extremely complex," according to Bergman. These murky, smelly waters "have as much as 5,000 to 30,000 parts per million ammonia, and the same amount of total organic carbon concentration. The organic carbon complex includes over 1,000 individual organic compounds, 200 to 300 of which are easily identified, and maybe 1,000 other compounds which can't even be seen because they are at such low concentrations. Of as many as a thousand individual organic compounds, maybe only 5 percent have ever been characterized regarding their association with environmental problems." The literature review is a shortcut, then, revealing what is known about compounds already identified as potential problems.

After the literature review, each



Filling up one of the holding tanks, Tom LaPoint, assistant professor of zoology, has to work around the wiring and tubing surrounding each tank.

Photos by Linda Putman



Graduate assistant Mike Crossey looks like he doesn't know which of the many bottles to pull off the shelf. In the foreground, next to the microscope, are bottles of process water.

individual sample of process water is chemically characterized, to identify the organics present. Bergman stresses that this is an approximation – a rough test to give the research team a general idea of what it is dealing with.

The next step is to test the ability of rainbow trout, fathead minnows, and water fleas to live in various dilutions of the process water. These tests determine the lowest concentration of organics having a negative effect on the fish and fleas, and the next lowest concentration having no effect. The objective is to estimate a safe concentration, to be used to project impacts. "If, for instance," Bergman notes, "there were a storage pond of coal gasification condenser water next to a stream, and it flooded into the stream, we could estimate, based on that safe concentration, how far downstream one would need to go before the condenser water would be diluted enough to have no impact. The safe concentration level can also be used to recommend how much a process water should be treated before release can be allowed."

The final test concerns environmental fate of the organics or heavy metals found in the process waters. Bergman asks, "Even though these contaminants may be present at only parts per *trillion* in the water, will they build up to high concentrations in the fish? If that is the case, one can assume they will continue to accumulate further up in the food chain, and we can also presume that they might pose a hazard to man, ultimately, if he eats the fish or drinks too much of that water."

The water with organics in it is exposed to bacteria from sewage treatment plants, oil refinery settling ponds, and from the Laramie River. After these bacteria have had a chance to break down the organics, the water is retested. Then, persistent (long-lived; not broken down by bacteria) organics are individually tested to determine if they are indeed not degradable, or degradable only under certain circumstances. Bergman suspects "that it is unlikely that we'll find very many, if any, persistent compounds ultimately, because coal, oil shale, and tar sands are all derived from biological material; that is, trees and woody plants that were here eons ago. . . . The presumption is there are bacteria in the environment which can handle these compounds.

"The problems with persistent chemicals normally result from manmade chemicals – chemicals that are new to the earth. Things like DDT or PCB have been manufactured in such a way that they are unique. The bacteria of the world have not evolved with these compounds around, and they don't have the metabolic machinery to break them down.

"Even though we might not have any candidates that are persistent, we might have some that are only slowly degradable – that's our worst fear. But we won't be surprised if we don't find an organic chemical that is persistent – we won't be surprised at all. In fact, we hope not to find any – it would be better for the environment if we find none."

Further testing is done to see if the persistent compounds accumulate in the food chain. Each compound is exposed to fish to see if it accumulates in the fish, and, if so, the rate of accumulation. The ratio of the concentration in the fish to the concentration in the water is also determined. "We've run a series of pilot tests . . . in oil shale retort water, and, thus far, after six weeks of exposure, there are no organics present in the exposed fish that are not present in the control fish," says Bergman. These experiments are just beginning, however, and long-term exposure may yield different results.

This aquatic research is used by agencies like the Industrial Siting Administration and the Department of Environmental Quality, to set standards for water treatment. "Over the next year,

Tom LaPoint gives these fathead minnows some fresh water. These minnows, and rainbow trout, are called the "guinea pigs" of aquatic toxicology research.

I think one of my most important tasks will be to communicate with the Department of Environmental Quality, the Industrial Siting Administration, Game and Fish and other involved agencies, to make sure that they know we're doing this research. These agencies haven't really been faced with the problems, but over the next year the permit applications are going to start coming in, for coal conversion facilities at least, so they're going to need all the information they can get, including the kind we generate."

Bergman also feels that his research has "influenced, in part, a decision by the synthetic fuel industry, in many cases, to try to go to a zero-discharge system, with no process effluent releases at all. But many of the designers of coal conversion facilities are coming to the conclusion that it would be more costly to reuse the water than to treat it and discharge it. Many of the facilities we have heard announced for Wyoming are zero-discharge facilities, and I suspect that many of them may back off from that early conviction, too. It's cheaper to treat and discharge.

"In Wyoming, Colorado, and other parts of the arid West, we also need to be concerned as citizens, researchers and regulators that there are disadvantages to a zero-discharge policy. The main disadvantage is that there is going to be a higher water consumption rate by these facilities if they are zero-discharge. Ultimately, water consumption is one of the major impacts of these industries. If they go to zero-discharge, water consumption is going to be worse. So, there are advantages to treating and releasing – that water can be used again."

Bergman's work has been funded for the past three years by the Environmental Protection Agency (EPA) and the Department of Energy. The next three years' funding will come from the EPA alone. (Bergman has received over $895,000 in research and educational grants since coming to U.W. in 1975.) The Laramie Energy Technology Center provides test waters for experiments, and the Wyoming Game and Fish Department provides free fish. Bergman says, "The State doesn't have a lot of money to fund research, so I don't even ask. All the State agencies cooperate and help when they can, but we don't expect it because they simply don't have the money to fund this kind of work." The university, through the State, indirectly supports this work in a lot of ways, such as providing salaries and facilities.

Bergman is only too pleased to give a guided tour of his labs, including the fresh-water spring that is pumped to the fifth floor of the Biological Science building at U.W. The lab rooms are variously full of machines that measure chemicals and row upon row of holding tanks for fish. And fish and bottles of contaminated water can be found there, too.

Bergman's lab is on the fourth and fifth floors of the building, and, from the looks of the lab conditions, he could use the third floor, too. The rooms are overcrowded, with pipes and wiring where people need to walk to conduct the experiments in progress. Bergman hopes to eventually move to the Red Buttes facility west of Laramie, but, so far, no funds have been available for such a move. Funding for a move would have to come directly from the U.W. budget.

Bergman first began working as a fishery biologist for the U.S. Fish and Wildlife Service in 1968. He moved to Laramie in 1975, but has been interested in the Rocky Mountain region since he graduated from high school in Michigan. A self-confessed ski bum, Bergman traveled to ski areas in Colorado and Wyoming as often as he could. Taking nine years (between ski trips) to get his bachelor's degree in biology, he nonetheless did well, and received his Ph.D. in fisheries biology in 1968.

Since coming to Wyoming, however, Bergman has had very little time for skiing. In addition to his research, he is a much sought-after speaker at research symposiums, energy conferences, and community affairs.

Scientist Debbie Sanchez is up to her elbows in fish. This tank is used for gathering the many microscopic eggs laid each day by the fathead minnows. The minnows have brick "nests" in the bottom of the tank.

Greg Linder, graduate assistant, at work in the laboratory. Those dark bottles in front of Greg are filled with process waters.

A small Wyoming community gets medical help.

Health Care Comes to the Little Snake

by Fred Schnell, Communications Services, University of Wyoming

There was nothing particularly fancy about the dedication of the Noyes Health Care Center in Baggs, Wyoming, in early January. However, the conception of the Noyes clinic is a classical story of Americans of all types working together for the common good. And it's a particularly inspiring story of how Coloradoans help their Wyoming neighbors.

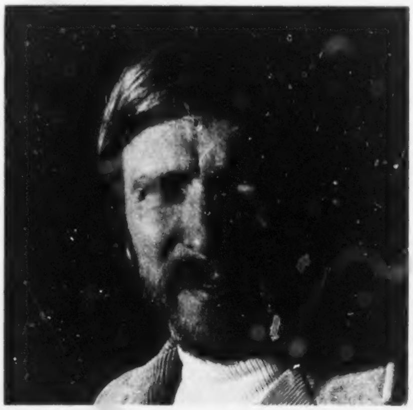
The residents of the Little Snake River Valley, in south-central Wyoming, have been ranching since the 1800s. Since 1957, the closest medical care for the 1500 inhabitants of the valley was either in the bustling boomtown of Craig, Colorado, about 40 miles to the south, where most people went for medical help, or in another energy expanded community, Rawlins, Wyoming, 75 miles northeast. When time didn't permit travel, or blizzards blocked the roads, people just taped up their own wounds or set their bones the best they could, and went about their business. However, there were rumblings in the valley about having to go so far for medical care.

In the fall of 1977, Jim Gardner, then the mayor of Baggs, phoned UW's College of Human Medicine to see if its faculty could be of any help in solving Baggs' health care problem.

He could not have called at a better time. The newly created College of Human Medicine had been given several missions in advancing medical care in the state – one of these missions was to provide assistance to small, rural communities like Baggs.

The task fell to Don Kennedy, assistant dean of the college and a professor of behavioral science. Kennedy, Wade Wykert and their associates attacked the problem with determination. Creating the rural health care center was a complex process that involved forming a citizens' committee to oversee the operation, finding seed money to start the program, developing a professional staff, and consulting with the physicians in Colorado familiar with Baggs and with governmental officials at all levels.

Weary after traveling 10,000 miles to organize the Noyes clinic, Don Kennedy takes a moment's rest.



Baggs' new physicians assistant, Ken Chastek.

The Baggs citizens' committee included ranchers, clergy, construction people, local government officials, and school teachers. After the legal procedures of formal organization were finished, the committee tackled its first job – creating a facility.

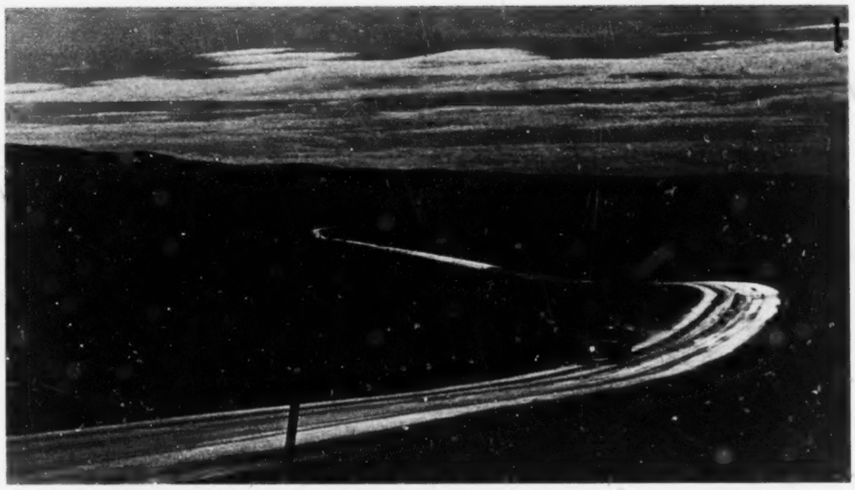
The committee began on a lucky note, because Moffat Clinic in Craig had a modular medical unit available at a reasonable price. But where was the money to come from? The committee turned to its own Carbon County authorities, who agreed to purchase the land and buy the modular facility. The facility was assembled in Baggs in April, 1979.

This was still only the beginning, because money was needed to hire personnel, purchase equipment, and get the clinic off the ground.

Old friends and new gather at the reception after the ribbon-cutting ceremony.

Photos by Fred Schnell.

River Valley



The road to Baggs. That's Don Kennedy's car on the road, and by the end of the negotiations, the car could almost find its way to Baggs without a driver.

After much work, the Old West Regional Commission awarded a grant of $114,000 in December, 1979, for the first year of operation. The grant covered the hiring of personnel and operating expenses of the clinic, but not the purchase of equipment, so a fund-raising drive was launched by the board of directors of the clinic. Energy companies in the area were solicited for funds, and contributions came in from local ranchers, businessmen, and citizens, until more than $25,000 was raised.

As the next step, the board of directors placed ads in medical journals for a qualified physician's assistant. (These assistants are directly supervised by doctors, but are well-trained in emergency procedures and in diagnosing ailments.) It wasn't too long before one name leaped out of the long list of applicants who were interested in a rural community near good hunting, fishing and skiing, where you can leave your doors unlocked and know your next-door neighbors.

That applicant is Ken Chastek, and his credentials are impressive. Chastek, was raised on a Minnesota farm, served with the elite Special Forces in Viet Nam as a medic, received formal physician's assistance training in California, and had been a physician's assistant in the hospital emergency room in Rock Springs. When the board of directors and the physicians in Craig met the blond-haired, soft-spoken veteran, they were anxious to hire him.

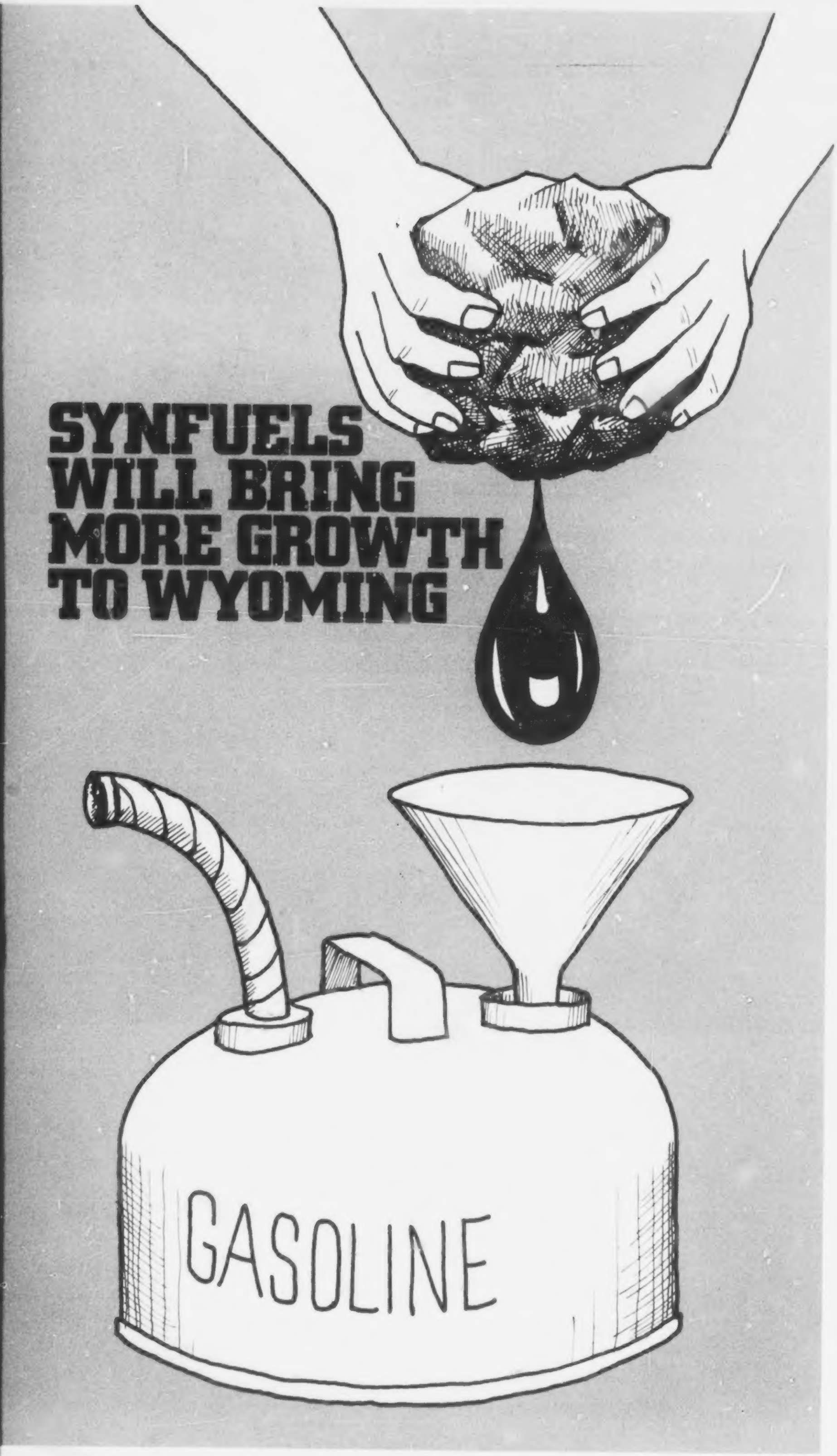
Snip! Mrs. Edmond B. Noyes, widow of Dr. Noyes, cuts the red ribbon to officially open the clinic.

The modular building which houses the clinic.

Doctors from Craig agreed to supervise the clinic, and had to get Wyoming medical licenses and form a new professional corporation to satisfy Wyoming laws. On November 7, 1980, the Noyes Medical Consultants Professional Corporation was born, and, on December 16, a contract with the board of directors was signed.

At the dedication on January 2, 1981, it was understandable that there was quiet elation on the faces of people from all walks of life: government, university, ranch, construction and homemaking. The ceremony got underway with a prayer, and a few short, but to the point, comments were made by the people directly involved in the project. After the speechmaking, tears clouded some eyes as Mrs. Edmond Noyes, 87, widow of the valley's last country doctor, the man for whom the clinic is named, leaned from her wheelchair and cut the red ribbon across the central aisle of the clinic, ending three years of hard work by dozens of people, and promising a hopeful beginning of a new era of medical care for the people of the Little Snake River Valley.

SYNFUELS WILL BRING MORE GROWTH TO WYOMING



Present day alchemists know how to change coal into gasoline, and they're planning to do so right here in Wyoming. Read on to find out what kind of impact the state can expect from the synthetic fuels industry.

by Steven C. Bartenhagen
Industrial Siting Administration

Synthetic fuels are probably in your future. A significant effort is being made in the United States to promote and develop a viable synthetic fuels (synfuels) industry, to provide substitute energy sources to aid in this country's push toward energy independence. Synthetic fuels include alcohol, synthetic natural gas and synthetic gasoline.

South Africa is presently the only country which produces significant amounts of synthetic fuels. In 1954, it constructed a 7,000 barrel per day coal-to-gasoline plant, which has operated successfully ever since. The South Africans recently completed a 50,000 barrel per day expansion of this facility, with another similar expansion planned for the near future. By 1983, South Africa expects to meet 50 percent of its liquified fuel needs with these plants.

Although there are other sources for synfuels, such as oil shale and agricultural products, the federal government has chosen to focus its synfuel efforts on coal conversion. The Department of Energy (DOE) has initiated a synthetic fuels incentive program, and Congress created the Synthetic Fuels Corporation, funded with proceeds from the Windfall Profits Tax, which is charged with promoting the development of the synthetic fuels industry in the United States. This corporation has the goal of producing 3 million barrels per day of synthetic fuels by the year 2000. It has the authority to enter into agreements with industry for loan guarantees, price supports, purchase commitments, direct grants, and even cooperative ventures for construction of plants. However, it appears that some cutback in federal synfuels subsidies may occur. In the move toward reducing government expenditures, President

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Reagan, in his speech to the joint session of Congress on February 18 of this year, said synfuels incentives would be cut. Whether Congress acts accordingly or not remains to be seen.

Much of the technology necessary for the conversion of coal and water to synthetic fuels has existed for many years. German scientists were pioneers in the development of synthetic fuels, primarily to power the German military during World War II. By the early 1940s, the Germans had built a dozen 8,000 barrel per day gasification plants, and seven 2,000 barrel per day gasoline plants. However, after the war, and until 1955, the Germans were prohibited from using their gasification technology. President Truman attempted to promote a synthetic fuels industry in the U.S., but the relatively low cost of petroleum, as well as pressure from large oil companies, caused these efforts to be abandoned. Other technologies have also been developed in the last 25 years.

The conversion of coal to synthetic natural gas, gasoline and methanol will be of primary interest in Wyoming. Several large projects have been proposed, which will place significant demands on several of the state's resources. Many of the plants will require large amounts of both coal and water. The labor required to build and operate these projects will require housing, public services, and recreational outlets. These needs will dwarf anything which has occurred in the past in Wyoming, so planning is absolutely necessary. The following will discuss the several proposals for synfuel development in Wyoming, and the impact they will have.

Six major coal conversion facilities have been proposed for Wyoming. These six are considered most likely to occur since they have applied to DOE for funds to design and/or construct the facilities under the synthetic fuels incentive program. These projects are:

PANHANDLE EASTERN. WyCoal Gas, a wholly owned subsidiary of Panhandle Eastern Pipeline Company, is planning to construct a coal-to-synthetic natural gas facility north of Douglas. If permitting and engineering on the project proceed on schedule, it will be the first major synfuel project in Wyoming. The plant will utilize 32,600 tons of coal to produce 300 million cubic feet (MMCF) of gas per day. Coal will be mined from the Rochelle lease in southern Campbell County. Construction of the facility is scheduled to begin in 1982, with commercial operation scheduled for 1986. The construction workforce is expected to peak at about 2500 people in September 1983. The permanent operating workforce will reach its projected maximum of 850 by 1988, when the plant reaches full capacity. The plant will consume approximately 8,000 acre feet of water per year at full production. Three sources for this water supply have been secured by WyCoal Gas: LaPrele Reservoir in Converse County, the North Platte River, and wells drilled into the Madison and Foxhill formations in Converse County. The groundwater sources are to be used as backup supplies when surface sources are reduced or unavailable. DOE has pledged to underwrite a $12.9 million loan to help fund preconstruction activities. In addition, Panhandle Eastern has applied for a $1.78 billion loan guarantee to finance construction of the plant.

HAMPSHIRE PROJECT. This project is a joint venture of the Northwestern Mutual Life Assurance Company, the Koppers Company, and Kaneb Services, Incorporated. The facilities will be located southeast of Gillette, in Campbell County. The plant will convert 15,000 tons of coal to approximately 20,000 barrels of gasoline per day. Due to the type of process proposed for this facility, water usage is expected to be minimal, with maximum needs estimated at about 3500 acre feet per year. Construction is projected to begin in 1982, with production start-up expected by the end of 1985. Peak construction employment is expected to be at least 4,000 people in 1983, with a permanent operating labor force of 575. This project received $4 million from DOE for feasibility studies.

MOBIL OIL CORPORATION. This plant, to be located near Buffalo, would convert 30,000 tons of coal to approximately 40,000 barrels of synthetic unleaded gasoline per day. Construction is scheduled to begin in 1985, with start-up tentatively planned for 1991. Water consumption is estimated at 10-15,000 acre feet per year, from wells drilled in the Madison Formation. At the peak of construction, more than 6,000 workers are expected, with an estimated permanent workforce of 1500. Mobil has been granted $25 million from DOE for engineering development at the facility, and Mobil has pledged $74 million as its share of the agreement.

TEXACO-TEXAS EASTERN. This plant would be located near Lake De Smet, north of Buffalo. It would produce 127,000 MMCF of synthetic natural gas and 55,000 barrels of methanol per day. The plant would consume approximately 38,000 tons of coal per day, from reserves in the area owned by Texaco. Neither employment estimates nor a construction start date have been announced yet.

CHEROKEE CLEAN FUELS PROJECT. This project is a joint venture of Rocky Mountain Energy Company, Pacific Gas and Electric Company, and Southern California Edison. The plant would initially produce 125 MMCF per day of pipeline quality synthetic natural gas, with an eventual expansion to 250 MMCF per day. Production is expected to begin in the late 1980s. The plant will be located near Creston Junction in southcentral Wyoming, and would utilize coal reserves held by Rocky Mountain Energy. Preliminary negotiations have been initiated with the State of Wyoming for approximately 10,000 acre feet of water annually, from Fontenelle Reservoir on the Green River. This project will require 4500 construction workers, and will have a permanent workforce of 800. This project has not yet received any grants or loans from DOE.

AMERICAN METHYL FUELS. This project, at a site in Laramie County south of Cheyenne, proposes to convert coal to methanol. It would utilize 18 million tons of coal per year, shipped from a mine in Converse County. The plant would employ 2600-3,000 construction workers, and approximately

600 permanent personnel. The company was denied government loan guarantees in the first round of DOE grants, and no information is presently available as to whether or not this project will become reality.

Synfuel industries are regulated in Wyoming by law. The Wyoming Industrial Development Information and Siting Act, passed by the legislature in 1975, provides for detailed review of the social, economic and environmental impacts of any large scale industrial developments in the state. The Industrial Siting Council, formed as a result of this act, has the authority to issue permits for construction of industrial facilities. These permits are subject to certain conditions for mitigating impacts related to construction or operation of a facility. The council assures that: the proposed facility complies with all laws; the facility will not pose a threat of serious injury to the environment, nor to the social and economic condition of inhabitants within the area; and, the facility will not substantially impair the health, safety, or welfare of area inhabitants. The major coal conversion plants discussed above will likely be subject to the jurisdiction of the Industrial Siting Council. Any adverse impacts created as a result of the construction and operation of these plants will be identified and addressed by the Industrial Siting Administration staff. In addition, these facilities will be subject to the Wyoming Department of Environmental Quality, relating to their affects on land, air, and water resources. Also, water supplies for these facilities must be approved by the Wyoming State Engineer.

Previous applicants for Industrial Siting permits have included power plants, coal mines, uranium mining and process facilities, and soda ash producing facilities. Several conditions were imposed on these permit applicants, including: providing housing for employees, monitoring and controlling of environmental damage, grants to local governments to alleviate impacts related to a project, and monitoring to identify impact problems not foreseen at the time of the permit process.

Regardless of conditions placed on industry by the Industrial Siting Council, if the six proposed projects become reality, they will impose severe impacts on several areas of Wyoming. The Hampshire project will bring an additional 3100 persons to the Gillette area during the peak of construction in 1983. The Industrial Siting Administration has projected employment of 20,200 in the Gillette area during that year *without* the project. Hampshire would increase that figure by over 15 percent, not to mention the increases in employment which would occur in businesses providing goods and services to these additional people. Likewise, employment in Sweetwater and Carbon counties related to the Cherokee project is expected to add significantly to the employment and population of southcentral Wyoming.

The most severe impact problems will be experienced in Sheridan and Johnson counties. The communities of Sheridan and Buffalo would receive the bulk of the population growth. Approximately 10-15,000 construction workers could be attracted to the two counties, effectively doubling the total combined employment of these counties. Additional people would be needed to provide the necessary goods and services for the expanded population. The magnitude of this growth will create profound changes in the existing social and economic conditions in northcentral Wyoming.

The growth of a coal-based synthetic fuels industry in this state will create a tremendous demand for resources, many of which may have to be imported. Coal is plentiful, but one other major input, water, is not. Significant amounts of water will be needed, in most cases, in areas where water is often scarce. Although most of the above-mentioned projects have identified water sources which they say are adequate to meet their needs, protests from environmental groups and other potential users of this resource can be expected. Any disputes have the potential of delaying or preventing the construction of a facility.

Unequivocally, environmental advocates will demand strict adherence to all aspects of state regulation. Any group with legitimate complaints could raise legal challenges against some aspect of a synfuels plant. Opposition to synthetic fuels production in Wyoming has already been voiced by the Wyoming Outdoor Council and the Powder River Basin Resource Council. It is not yet clear what the extent of the opposition will be, nor what issues this opposition will focus on. Many of the proposed technologies of the synfuels industry are untried on the scale proposed, and the emissions from these technologies will have to be evaluated to see whether or not they meet federal and state standards.

Labor is also in short supply in Wyoming. Not only will a great number of people be needed to construct these facilities, these people will need specific skills. Energy development in some form is taking place in all the states surrounding Wyoming, creating a demand for labor. It will probably be necessary to go outside the region to attract the large numbers of workers that will be needed.

If the national production of 3 million barrels per day is to be reached by the end of the century, it will demand significant numbers of skilled and technical personnel to design and construct the facilities. A study undertaken by TRW, Inc. for DOE found that up to 80 percent of the currently available corps of pipefitters, electricians, boilermakers, and welders will be needed for construction of these synfuel plants. Significant demands will also be placed on the available pool of engineers.

Further, material and equipment shortages may be a difficult hurdle in attaining the 3 million barrel goal. For the 61 plants required to meet the goal, 490 million tons of coal a year must be mined, one-fourth of all coal predicted to be in production by that time. Capital needs of $201 billion would be necessary to finance construction [*Engineering News-Record*, March 6, 1980]. In addition, these plants would use 88 percent of the present manufacturing capacity for draglines, 75 percent of current production capacity for heat exchangers, and 13 percent of the national capability to manufacture pressure vessels and centrifugal compressors.

A critical resource demand placed on Wyoming will be the need for the additional public infrastructure (sewer, streets, police and fire protection, etc.) necessary to provide adequate services to cities and towns. Although these plants will generate immense amounts of tax revenues, the revenues to local governments do not accrue in time to keep up with or ahead of expansion.

The primary tax benefits realized by Wyoming cities and towns, as a result of industrial development and mineral production, are from sales and use tax payments on materials used in the construction of industrial facilities. The revenues (property taxes) from the assessed value on the plants and the mineral production associated with their operation flow directly to the counties and school districts. None of these revenues are returned directly to the cities under the current tax structure in the state, because the projects are not located within city limits. Cities and towns do receive the majority of the population impacts, however, and must have the capital facilities in place in order to meet the service needs of increased population. The Wyoming Farm Loan Board attempts to alleviate tax revenue shortfalls in impacted areas with grants and loans to communities, but past experience has demonstrated a consistent deficit of funding availability. Several proposals have been offered in the state legislature to provide relief to Wyoming communities, but it is not clear what form this relief would take, or even if there will be any relief at all.

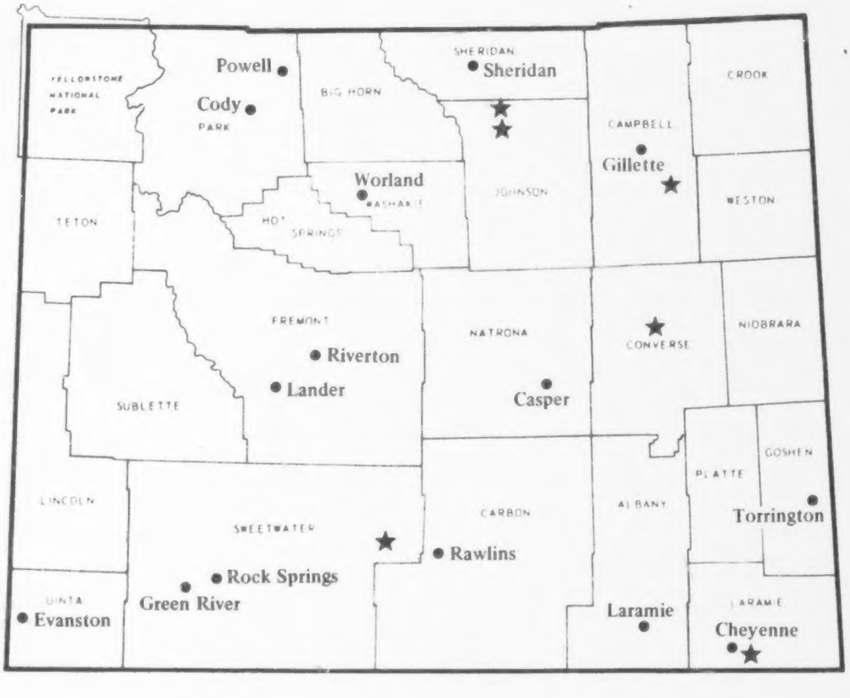
Another serious problem will be providing adequate housing for all newcomers. Housing shortages have already occurred in many parts of the state. To assure that an adeuqate mix of housing is available, advanced planning is imperative. Developable lands must be identified and improved, and financing sources need to be identified for those who will demand housing.

The most obvious source for alleviation of the public infrastructure and housing availability problems is the firms involved in the synthetic fuels industry, because these firms are going to cause the growth. It may be necessary for the firms to provide financial guarantees and other assurances to local governments to see that public services become available. They may also have to take steps themselves to see that acceptable housing is available to their employees, perhaps by assisting developers or providing assurances that any new developments will be occupied by incoming workers.

Petroleum shortages, higher prices for forms of energy, and the nation's determination to achieve energy independence have all combined to create significant interest in the development of an extensive synthetic fuels industry in the United States. This industry has been encouraged by large government subsidies, the involvement of the largest American and foreign corporations, and intense development of various technologies necessary to the attainment of a commercially viable industry. Although several large projects have been proposed which would produce a variety of synthetic fuels, many factors have surfaced recently which may delay or prevent them from becoming a reality. One factor is the uncertainty of future subsidies promised by the federal government. There is a likelihood that some or most of the future financial incentives from the federally sponsored Synthetic Fuels Corporation will be cut by the Reagan administration. And, in a project that is only marginally feasible from an economic standpoint, reduction of subsidies may force delays or prohibit construction altogether.

Nonetheless, it appears likely that some development of the synthetic fuels industry will occur in Wyoming. It is imperative that the state, as well as potentially affected communities, begin to plan for the eventuality. Significant impacts may be experienced that will dwarf any the state has seen in the past. Advanced planning can allow those affected to comprehend and act on these impacts.

Approximate sites of six coal-to-gasoline synthetic fuel plants proposed for Wyoming.★



FALL'S UPSWING CONTINUES INTO WINTER

by Kim Keeney

Wyoming's economy continued the upswing that began last quarter. The employment scene showed improvement. Total civilian labor force, total employment, and total agricultural employment all rose, while unemployment dropped. The civilian labor force rose to 237,405, the second highest point ever. Total employment rose, to a point second only to the first quarter of 1980. Total nonagricultural employment fell, while agricultural employment rose. In each of these categories, the Wyoming total as a percent of the U.S. actual fell, reflecting improvement in the U.S. economy. The U.S. unemployment rate fell to an unadjusted level of 7.3 percent. The Wyoming rate was 4.2 percent.

Wages and employment statistics show mixed reports. Weekly earnings fell, but wages are still running well ahead of inflation, showing a 45.9 percent increase over a year ago. Hourly earnings continue to rise. Average wages, at $9.87 per hour, are 34.7 percent higher than last year. Nonagricultural job placements fell 11.5 percent from last quarter. Initial unemployment claims fell after last quarter's peak, but are almost one-third higher than at this time last year. Help wanted advertisements are well below last quarter, but higher than a year ago.

Wyoming consumers are doing well, as personal income continues to grow. The annual growth rate was 29.8 percent. The annual rate of inflation, as measured by the Consumer Price Index, was 12.6 percent. The Wyoming Cost of Living Index, calculated by the Research and Statistics Division of the Department of Administration and Fiscal Control, shows the Wyoming cost of living increase for the year at 12.48 percent, less than the U.S. average. Gasoline prices have leveled off, changing only a few cents in nine months. New car and truck registrations rose, after a drop in the first quarter of 1980. Sales and use tax collections rose slightly over the third quarter.

Business conditions seem to be improving. The number of bankruptcies increased, but at a slower rate than in early 1980. Business failures have leveled off after a jump a little over a year ago. The value of business failures fell 75.1 percent from last quarter. The number of new corporations in the state rose.

The amount of loans at state and national banks rose, as did total deposits and demand deposits. The loan/deposit ratio fell to 57. Mortgage loans at savings and loans fell for the first time in four years. The amount of savings continues to increase, however.

Mining in the state shows mixed reports. Coal production continues to rise, and Wyoming now produces 11.4 percent of the nation's coal. Natural gas production fell somewhat.

Wyoming farmers and ranchers lost buying power in the fourth quarter. Prices received for commodities fell, while prices paid rose. The amount of timber cut in Wyoming rose for the first time since the second quarter of 1979.

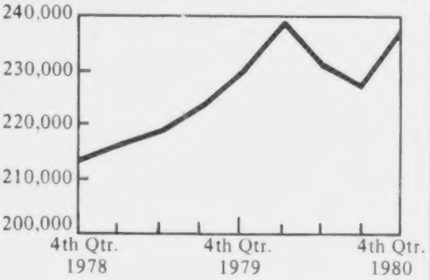
Tourism dropped in the fourth quarter, to a lower level than in the same period of 1978 and 1979, following the pattern of summer visitations noted in last quarter's figures. Visits to Wyoming's national monuments also fell from last quarter, but to a level above that of last year. Traffic volume also fell.

The construction industry has not completely recovered from its economic woes. Total residential building value fell, after last quarter's revival. The number of residential units, after seasonal adjustments, rose. Nonresidential building value jumped 153 percent from last quarter's year low. The number of building permits increased slightly from last quarter.

The number of telephones in the state rose, but usage of gas and electricity is less than usual, because of mild winter weather. WI

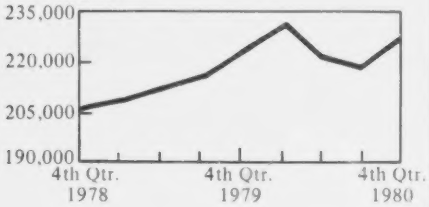
Employment

Total Civilian Labor Force



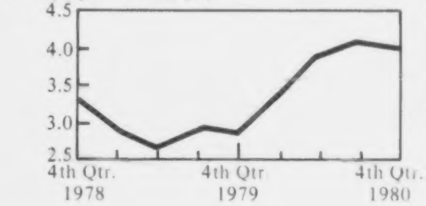
	Actual
Oct.	242,208
Nov.	234,485
Dec.	231,962
4th Quarter '80 Average Actual	236,218
Average Seasonally Adjusted	237,405
Percent change, seasonally adjusted basis from	
4th Quarter '79	3.2%
3rd Quarter '80	4.2%
4th Qtr. actual as percent of U.S. actual	.220%

Total Employment[1]



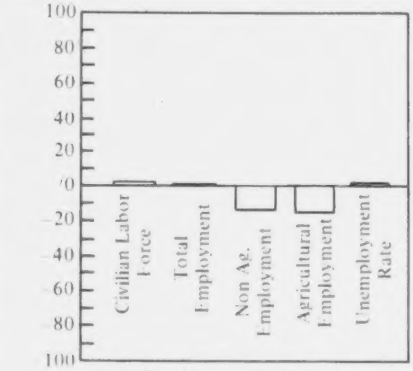
	Actual
Oct.	233,134
Nov.	223,865
Dec.	221,588
4th Quarter '80 Average Actual	226,196
Average Seasonally Adjusted	227,561
Percent change, seasonally adjusted basis from	
4th Quarter '79	1.4%
3rd Quarter '80	3.9%
4th Qtr. actual as percent of U.S. actual	.231%

Unemployment Rate (%)



	Actual
Oct.	3.7
Nov.	4.5
Dec.	4.5
4th Quarter '80 Average Actual	4.2
Average Seasonally Adjusted	4.0
Point change, seasonally adjusted basis from	
4th Quarter '79	1.2
3rd Quarter '80	-.1
4th Qtr. actual as percent of U.S. actual	57.5%

Employment



Employment Indicators
Annual Percentage Change

Wyoming's employment scene improved somewhat in 1980's fourth quarter. For the first time since the fourth quarter of 1979, the unemployment rate dropped to a seasonally adjusted level of 4 percent. The drop was small, only one tenth of 1 percent, and is still 1.2 percent more than last year.

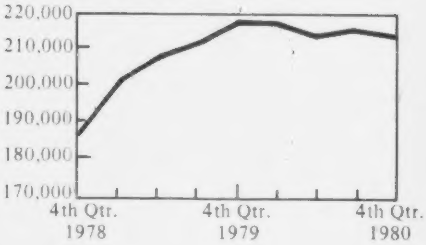
The total civilian labor force rose 4.2 percent from last quarter, reversing the downward slide begun three quarters ago. The seasonally adjusted total of 237,405 is exceeded only by the figure of 239,988 registered in the first quarter of 1980. Wyoming's civilian labor force as a percent of the U.S. total fell to .220 percent.

Total employment also reversed the downward trend, rising 3.9 percent from last quarter. This is 1.4 percent more than one year ago. Once again, this is the second highest total, second only to the figure of the first quarter of 1980. The Wyoming figure is .231 percent of U.S. total employment.

Total nonagricultural employment fell 7.4 percent from last quarter to 213,500 workers. This is a 2.4 percent drop from last year's 218,900 workers. The Wyoming total for the fourth quarter is .226 percent of the U.S. total.

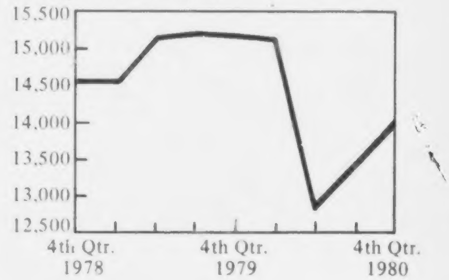
Total agricultural employment continues to rise after the strong decline of two quarters ago. The rise for the quarter was 4.6 percent, which leaves the total 7.5 percent below one year ago. Total U.S. agricultural employment rose from last quarter — despite the growth from last quarter, the Wyoming figure fell from .458 percent to .381 percent of the U.S. total.

Total Nonagricultural Employment[1]



	Actual
Oct.	223,000
Nov.	208,800
Dec.	208,700
4th Quarter '80 Average Actual	213,500
Average Seasonally Adjusted	213,500
Percent change, seasonally adjusted basis from	
4th Quarter '79	-7.4%
3rd Quarter '80	-2.4%
4th Qtr. actual as percent of U.S. actual	.226%

Total Agricultural Employment[1]



	Actual
Oct.	14,147
Nov.	12,193
Dec.	10,852
4th Quarter '80 Average Actual	12,406
Average Seasonally Adjusted	14,018
Percent change, seasonally adjusted basis from	
4th Quarter '79	-7.5%
3rd Quarter '80	4.6%
4th Qtr. actual as percent of U.S. actual	.381%

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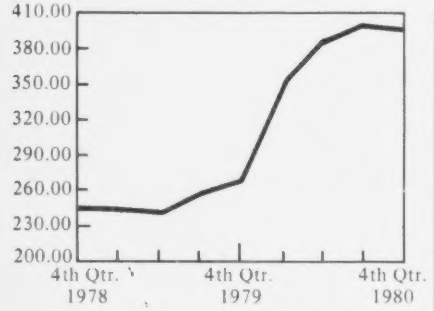
[1] Total Agricultural and Total Nonagricultural Employment may not equal Total Employment due to data gathering differences.

All data are preliminary. Revisions appear in past quarterly trend data.

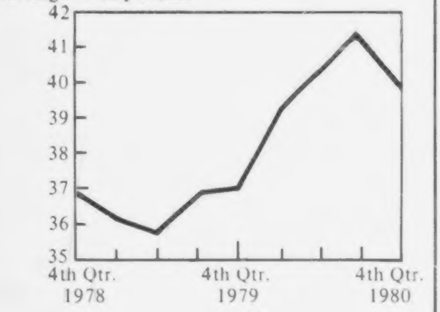
Wages and Employment Opportunities

Average Weekly Earnings ($)



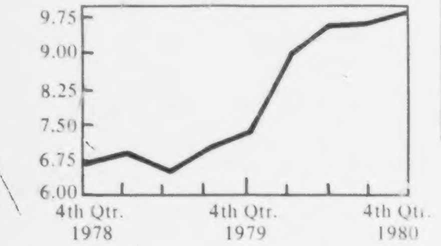
	Actual
Oct.	383.18
Nov.	391.23
Dec.	408.59
4th Quarter '80 Average Actual	394.33
Percent change, actual basis from	
4th Quarter '79	45.9%
3rd Quarter '80	1.8%

Average Weekly Hours



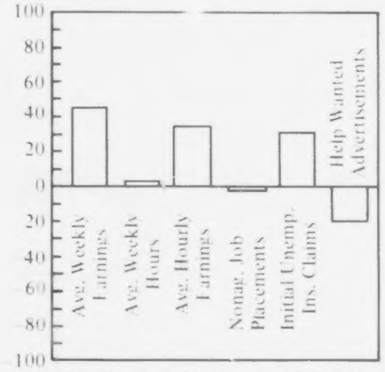
	Actual
Oct.	39.1
Nov.	39.8
Dec.	40.9
4th Quarter '80 Average Actual	39.9
Percent change, actual basis from	
4th Quarter '79	3.0%
3rd Quarter '80	1.7%

Average Hourly Earnings ($)



	Actual
Oct.	9.80
Nov.	9.83
Dec	9.99
4th Quarter '80 Average Actual	9.87
Percent change, actual basis from	
4th Quarter '79	34.7%
3rd Quarter '80	2.3%

Wages and Employment Opportunity



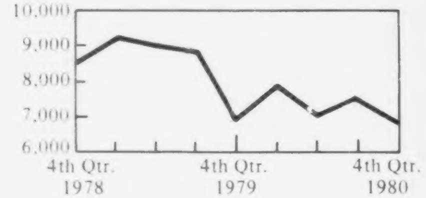
Wages and Employment Opportunity Indicators
Annual Percentage Change

Average weekly earnings fell below the $400 mark this quarter, because of a fall in average weekly work hours. The fourth quarter average weekly earning was $349.33, down 1.8 percent from the $401.57 registered in the third quarter. Average weekly earnings have risen 45.9 percent from one year ago. Average weekly hours fell 1.7 percent from last quarter, from 41.6 hours to 39.9 hours. This is 3 percent more than one year ago. Average hourly earnings reached $9.99 in the month of December, contributing to the 23 percent increase since last quarter. The fourth quarter average hourly earning was $9.89, 34.7 percent higher than just one year ago.

Nonagricultural job placements fell 11.5 percent from last quarter, to a seasonally adjusted total of 6,791. The actual number of job placements was 6,024. The past year has shown a definite irregularity in the number of job placements from quarter to quarter. The number of help wanted advertisements rose for the first time since the first quarter of 1980, to a seasonally adjusted total of 432. This is 31.2 percent more than last quarter, but 20.2 percent less than the 541 reported one year ago.

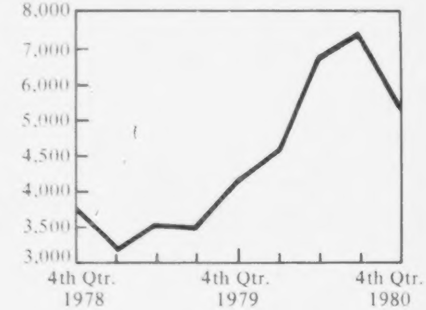
Initial unemployment insurance claims fell for the first time since the third quarter of 1979. The seasonally adjusted total of 5,443 is down 28.2 percent from last quarter, but is 30.8 percent above the 4,160 reported one year ago.

Nonagricultural Job Placements



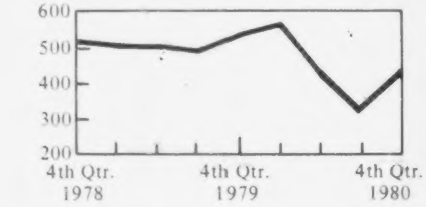
	Actual
Oct.	2,000
Nov.	2,109
Dec.	1,915
4th Quarter '80 Total Actual	6,024
Total Seasonally Adjusted	6,791
Percent change, seasonally adjusted basis from	
4th Quarter '79	−2.4%
3rd Quarter '80	11.5%

Initial Unemployment Insurance Claims



	Actual
Oct.	1,361
Nov.	2,168
Dec.	3,008
4th Quarter '80 Total Actual	6,537
Total Seasonally Adjusted	5,443
Percent change, seasonally adjusted basis from	
4th Quarter '79	30.8%
3rd Quarter '80	−28.2%

Help Wanted Advertisements

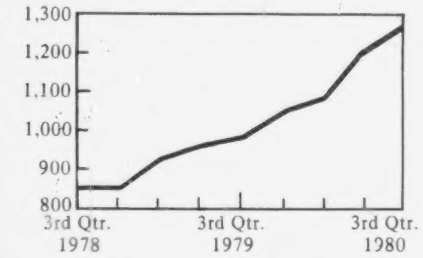


	Actual
Oct.	384
Nov.	461
Dec.	323
4th Quarter '80 Average Actual	389
Average Seasonally Adjusted	432
Percent change, seasonally adjusted basis from	
4th Quarter '79	−20.2%
3rd Quarter '80	31.3%

All data are preliminary.
Revisions appear in past quarterly trend data.

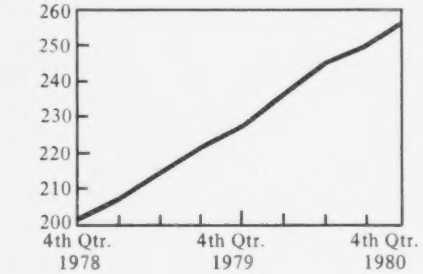
Consumers

Total Personal Income ($1,000,000)



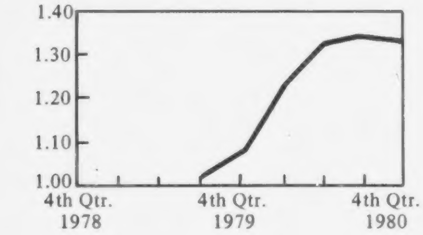
	Actual
July	438
Aug.	440
Sept.	448
Total Actual	1,326
Total Seasonally Adjusted	1,275
Percent change, seasonally adjusted basis from	
4th Quarter '79	29.8%
3rd Quarter '80	6.1%
4th Qtr. actual as percent of U.S. actual	
	.245%
	.228%

U.S. Consumer Price Index (1967 = 100)



	Actual
Oct.	254.1
Nov.	256.4
Dec.	258.4
4th Quarter '80 Average Actual	256.3
Point change, actual basis from	
4th Quarter '79	28.6
3rd Quarter '80	6.5

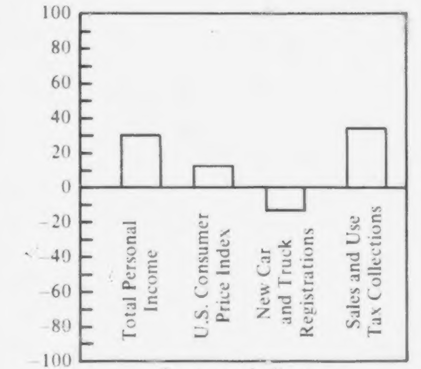
Gasoline Prices



	Actual
Oct.	$1.33
Nov.	$1.33
Dec.	$1.34
4th Quarter '80 Average Actual	$1.33
Percent change, actual basis from	
4th Quarter '79	23.0%
3rd Quarter '80	– .4%

All data are preliminary.
Revisions appear in past quarterly trend data.

Consumers



Consumer Indicators
Annual Percentage Change

Wyoming's total personal income continued to grow in the third quarter of 1980. The quarterly increase was 6.1 percent. The annual growth rate was 29.8 percent. Wyoming's total personal income rose to .245 percent of the U.S. total, up from .228 in the second quarter. The consumer price index rose 1.9 percent in the fourth quarter – a rise of 6.5 points. The annual comparison showed a rise of 28.6 points, or 12.8 percent.

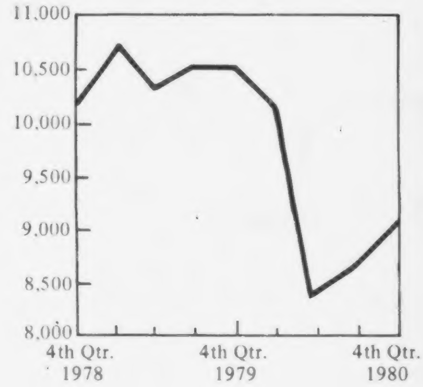
State sales and use taxes rose slightly in the fourth quarter after falling last quarter. The fourth quarter total is 34.7 percent above the figure of one year ago.

New car and truck registrations rose 4.6 percent over last quarter, to a seasonally adjusted total of 9,110, still well below the total of 10,637 vehicles registered in the first quarter of 1979. The 9,110 are 13.1 percent below the 10,479 of one year ago. Gasoline prices seem to have stabilized in Wyoming in the past few months. The price of a gallon of unleaded gas at a full service station is now $1.33. This is 23.0 percent more than just one year ago.

According to the Wyoming Cost of Living Index, costs increased 12.48 percent from one year ago. Housing rose the fastest, with a rate of increase at 16.83 percent, followed by food – 12.02 percent, apparel – 11.78 percent, medical – 10.81 percent, recreation – 9.17 percent, and transportation – 5.05 percent. The northwest region of the state rose the fastest, with an overall inflation rate of 15.33 percent. The other regions are as follows: central – 14.47 percent, southwest – 12.98 percent, southeast – 11.22 percent, and northeast – 10.47 percent. As a comparison, the overall increase for Lakewood, Colorado, was 13.63 percent. A recent addition to the WCLI is a weighted inflation rate, which includes population in the various counties. The weighted regional figures show the southwest having the highest inflation rate, at 14.80 percent, followed by the northwest at 14.74 percent, central at 12.94 percent, southeast at 11.57 percent, and northeast at 10.84 percent.

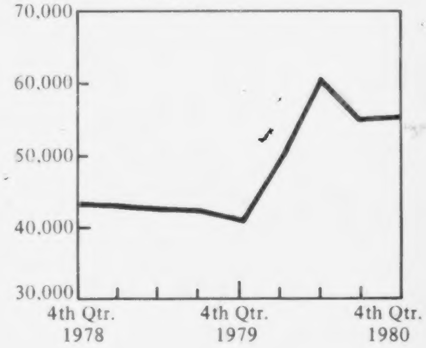
The inflation rate has slowed somewhat in the past year, as shown by the chart below. No region has shown up as the most hard hit by inflation. Each region, except the northeast, has led once in the past year. All five regions have had double digit inflation for each of the last four yearly calculations.

New Car and Truck Registrations



	Actual
Oct.	2,852
Nov.	2,720
Dec.	2,973
4th Quarter '80 Total Actual	8,545
Total Seasonally Adjusted	9,110
Percent change, seasonally adjusted basis from	
4th Quarter '79	–13.1%
3rd Quarter '80	4.6%

State Sales and Use Tax Collections ($1,000)



	Actual
Oct.	19,953
Nov.	20,136
Dec.	17,878
4th Quarter '80 Total Actual	57,967
Total Seasonally Adjusted	55,524
Percent change, seasonally adjusted basis from	
4th Quarter '79	34.7%
3rd Quarter '80	1.3%

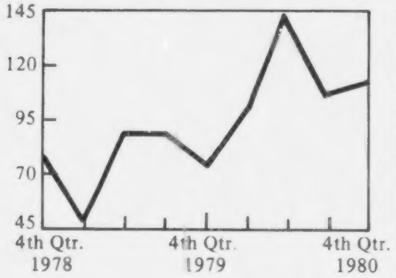
1980 Inflation Rates
by Quarter

QTR	All Items	Food	Housing	Apparel
1	15.16	7.75	19.71	9.35
2	12.59	11.16	12.24	13.70
3	12.60	12.86	12.68	11.45
4	12.48	12.02	16.83	11.78

QTR	Transportation	Medical	Recreation
1	19.12	12.06	7.06
2	16.01	11.06	10.86
3	12.89	15.28	10.65
4	5.05	10.81	9.17

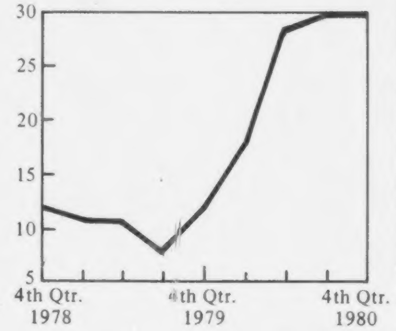
Business Conditions

Bankruptcies



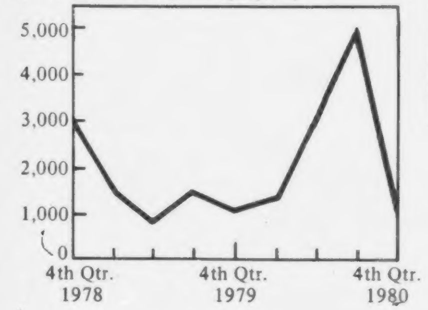
	Actual
Oct.	49
Nov.	37
Dec.	28
4th Quarter '80	
Total Actual	114
Percent change, actual basis from	
4th Quarter '79	54.1%
3rd Quarter '80	7.5%

Number of Business Failures

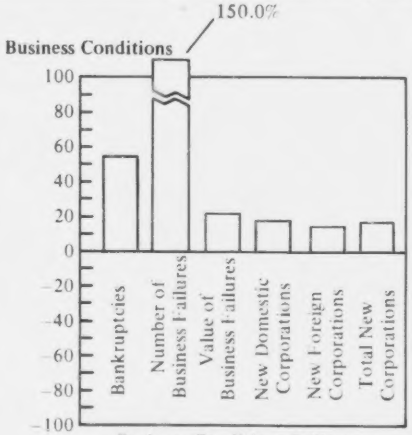


	Actual
Oct.	14
Nov.	9
Dec.	7
4th Quarter '80	
Total Actual	30
Percent change, actual basis from	
4th Quarter '79	150.0%
3rd Quarter '80	0.0%

Value of Business Failures ($1,000)



	Actual
Oct.	1,017
Nov.	125
Dec.	125
4th Quarter '80	
Total Actual	1,266
Percent change, actual basis from	
4th Quarter '79	21.3%
3rd Quarter '80	−75.1%



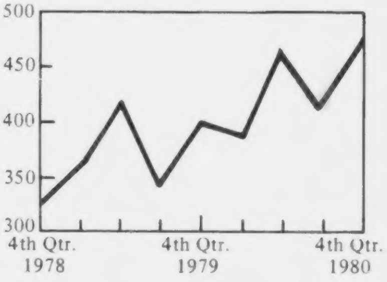
Business Conditions Indicators
Annual Percentage Change

The number of new corporations rose to 720 in the fourth quarter of 1980, a new nine quarter high. This figure is 17.5 percent higher than one year ago, and 8.1 percent more than last quarter. Of these, 476 were formed by Wyomingites and 244 by out-of-state groups. The number of domestic corporations is 19.0 percent more than one year ago, and 15.3 percent more than last quarter. December registered 202 new domestic corporations, the first time there have been more than 200 in one month. The number of new foreign corporations fell slightly from 253 last quarter to the fourth quarter figure of 244. This is 14.6 percent more than the fourth quarter of 1979.

The number of bankruptcies for the fourth quarter was 114, 7.5 percent more than last quarter but still below the nine quarter high of 145, registered in the second quarter of 1980. The fourth quarter total is 54.1 percent higher than one year ago. The number of business failures held steady at 30, with 14 of these occurring in October. This is the largest number of business failures recorded for any one month in the time *Wyoming Issues* has kept these records. The amount has been seen previously, in April of 1980, but never exceeded. The value of the business failures was much lower than last quarter, however, falling 75.1 percent in one quarter, to $1,266.00. This is still 21.3 percent more than one year ago.

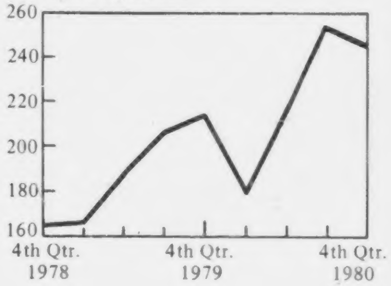
All data are preliminary.
Revisions appear in past quarterly trend data.

New Domestic Corporations



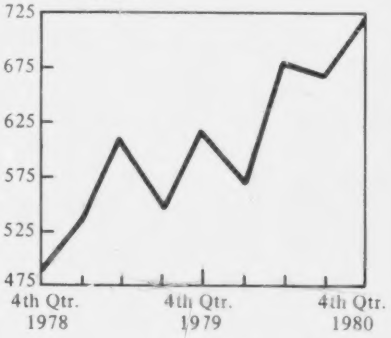
	Actual
Oct.	140
Nov.	134
Dec.	202
4th Quarter '80	
Total Actual	476
Percent change, actual basis from	
4th Quarter '79	19.0%
3rd Quarter '80	15.3%

New Foreign Corporations



	Actual
Oct.	86
Nov.	78
Dec.	80
4th Quarter '80	
Total Actual	244
Percent change, actual basis from	
4th Quarter '79	14.6%
3rd Quarter '80	− 3.6%

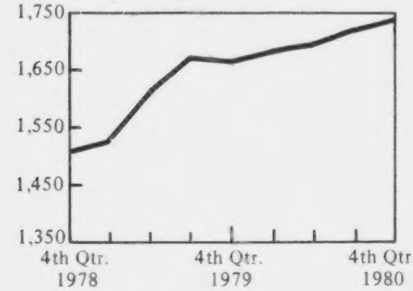
Total New Corporations



	Actual
Oct.	226
Nov.	212
Dec.	282
4th Quarter '80	
Total Actual	720
Percent change, actual basis from	
4th Quarter '79	17.5%
3rd Quarter '80	8.1%

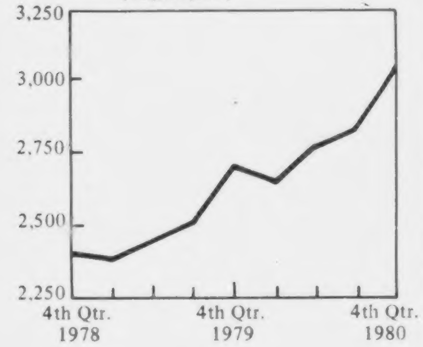
Finance

Total Loans – State and National Banks
($1,000,000)



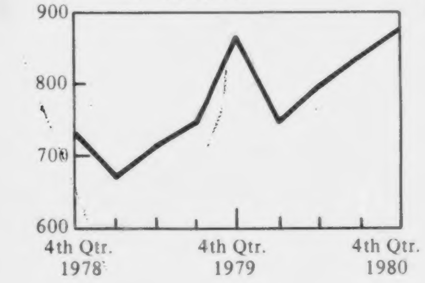
	Actual
4th Quarter '80	
Total Actual	1,745
Percent change actual basis from	
4th Quarter '79	5.0%
3rd Quarter '80	1.3%

Total Deposits – State and National Banks
($1,000,000)



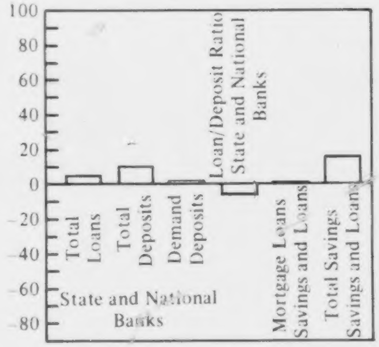
	Actual
4th Quarter '80	
Total Actual	3,035
Percent change, actual basis from	
4th Quarter '79	10.6%
3rd Quarter '80	7.4%

Demand Deposits – State and National Banks
($1,000,000)



	Actual
4th Quarter '80	
Total Actual	878
Percent change, actual basis from	
4th Quarter '79	1.5%
3rd Quarter '80	4.6%

Finance



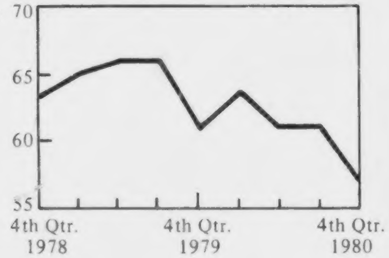
Finance Indicators
Annual Percentage Change

Despite high interest rates, total loans made by state and national banks continue to rise. The fourth quarter of 1980 saw a quarterly rise of 1.3 percent in total loans made. This is a new high of $1,744,972,000. Total deposits also continue to rise, this quarter by 7.4 percent. This total is now 10.6 percent more than one year ago. Demand deposits rose to a new nine quarter high, following a trend of peaks in the fourth quarters of each year. The 1980 fourth quarter is 4.6 percent more than last quarter, and 1.5 percent more than one year ago.

The loan/deposit ratio fell to 57 in the fourth quarter, a new nine quarter low. The ratio was 61 in both the third quarter of 1980 and the fourth quarter of 1979.

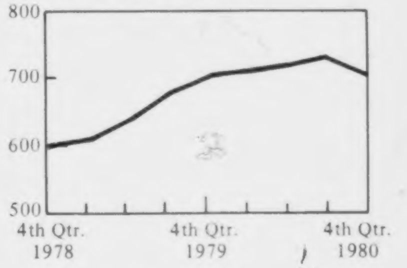
Mortgage loans at savings and loan institutions fell for the first time since *Wyoming Issues* began providing this statistic. The fall was 4.3 percent on a quarterly basis, although the annual comparison shows a .6 percent increase. Total savings in savings and loan institutions rose 7.0 percent over last quarter and 16.4 percent over one year ago.

Loan/Deposit Ratio – State and National Banks (0.00)



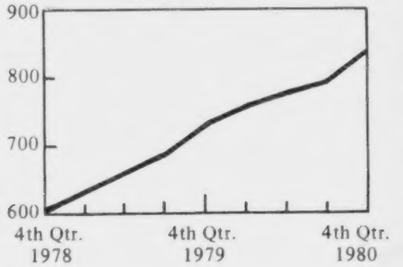
	Actual
4th Quarter '80	
Ratio Actual	57
Percent change, actual basis from	
4th Quarter '79	–6.6%
3rd Quarter '80	–6.6%

Mortgage Loans – Savings and Loan Institutions ($1,000,000)



	Actual
Oct.	579
Nov.	766
Dec.	770
4th Quarter '80	
Average Actual	705
Percent change, actual basis from	
4th Quarter '79	0.6%
3rd Quarter '80	–4.3%

Total Savings – Savings and Loan Institutions ($1,000,000)



	Actual
Oct.	830
Nov.	832
Dec.	866
4th Quarter '80	
Average Actual	843
Percent change, actual basis from	
4th Quarter '79	16.4%
3rd Quarter '80	7.0%

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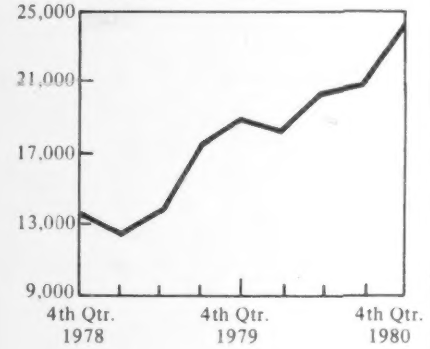
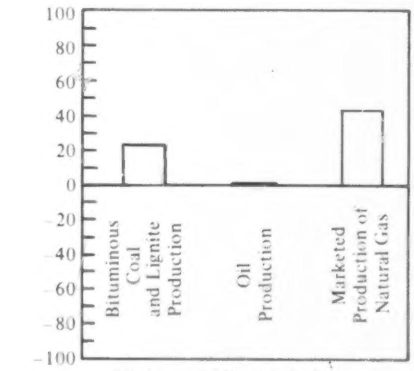
Mining and Minerals

Bituminous Coal and Lignite Production
(1,000 Short Tons)



	Actual
Oct.	10,022
Nov.	6,772
Dec.	7,448
4th Quarter '80 Total Actual	24,242
Total Seasonally Adjusted	24,002
Percent change, seasonally adjusted basis from	
4th Quarter '79	23.4%
3rd Quarter '80	11.3%
4th Qtr. actual as percent of U.S. actual	11.43%

Mining and Minerals



Mining and Minerals Indicators
Annual Percentage Change

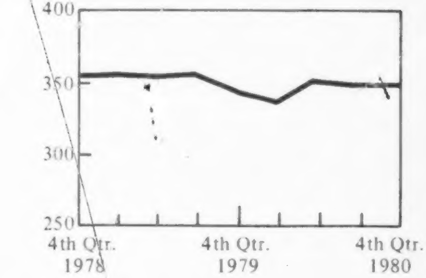
The output of Wyoming coal continues to rise as demand increases. The third quarter total of 24,002,000 short tons represents an increase of 11.3 percent from last quarter, and 23.4 percent from last year. Wyoming now produces 11.43 percent of the nation's coal.

Oil production during the third quarter rose again, after last quarter's drop. Wyoming now produces 4.09 percent of the nation's domestically produced oil.

Natural gas production continues the decline begun last quarter by falling another 13.3 percent. Wyoming's share of U.S. produced natural gas fell to 1.74 percent.

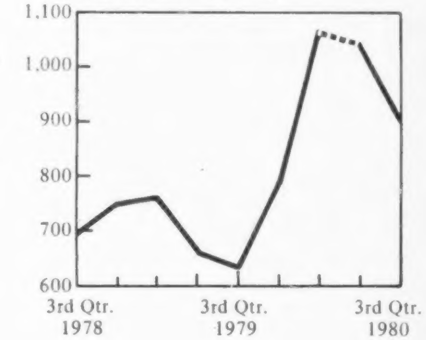
Information missing last quarter for coal has been obtained, making the third quarter total correct. April figures for natural gas are still unavilable, making the third quarter figure an estimate.

Oil Production (1,000 BBLS/Day)



	Actual
Oct.	349
Nov.	349
Dec.	349
4th Quarter '80 Average Actual	349
Percent change, actual basis from	
4th Quarter '79	0.8%
3rd Quarter '80	0.0%
4th Qtr. actual as percent of U.S. actual	4.09%

Marketed Production of Natural Gas
(MMCF/Day @ PSIA, 63°F)



	Actual
July	952
Aug.	761
Sept.	990
3rd Quarter '80 Average Actual	901
Percent change, actual basis from	
3rd Quarter '79	43.2%
2nd Quarter '79	–13.3%
3rd Qtr. actual as percent of U.S. actual	1.74%

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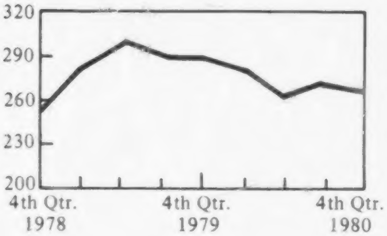
Revisions appear in past quarterly trend data.

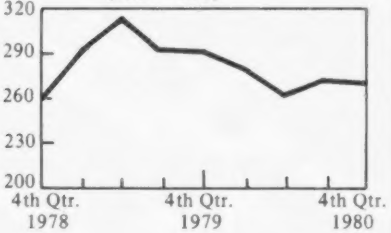
Agriculture and Forestry

Index of Prices Received for All Commodities by Wyoming Farmers and Ranchers (1967 = 100)



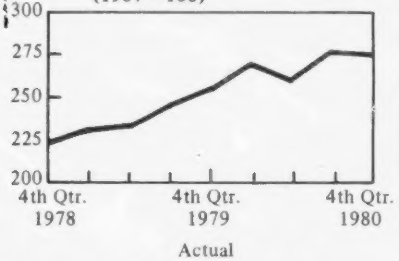
	Actual
Oct.	260
Nov.	265
Dec.	271
4th Quarter '80 Average Actual	265
Point change, actual basis from	
4th Quarter '79	-21
3rd Quarter '80	-11
4th Qtr. actual as percent of U.S. actual	101.1%

Index of Prices Received for All Livestock and Products by Wyoming Farmers and Ranchers (1967 = 100)



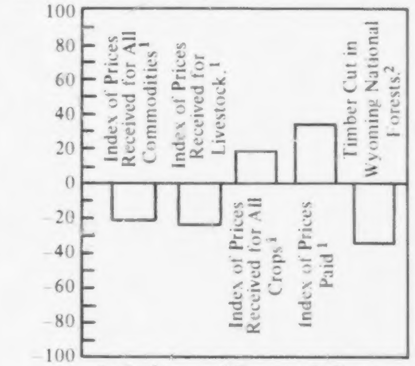
	Actual
Oct.	283
Nov.	268
Dec.	264
4th Quarter '80 Average Actual	272
Point change, actual basis from	
4th Quarter '79	-23
3rd Quarter '80	- 4
4th Qtr. actual as percent of U.S. actual	104.6%

Index of Prices Received for All Crops by Wyoming Farmers and Ranchers (1967 = 100)



	Actual
Oct.	280
Nov.	274
Dec.	271
4th Quarter '80 Average Actual	275
Point change, actual basis from	
4th Quarter '79	19
3rd Quarter '80	- 2
4th Qtr. actual as percent of U.S. actual	103.8%

Agriculture and Forestry



Agriculture and Forestry Indicators
Annual Point or Percentage Change

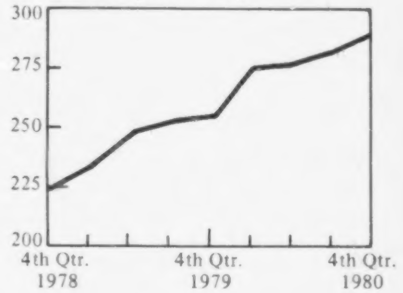
The index of prices received for all commodities fell after recovering ground last quarter. The index fell 11 points from last quarter and 21 points from one year ago. This is a decline of 4.0 percent and 7.3 percent, respectively. The Wyoming Index is closer to the U.S. average than it has been for a long time. The Wyoming index is 1.1 percent higher than the U.S. index of 262.

The index of prices received for livestock fell in the fourth quarter by 4 points from the previous quarter, and 23 points from one year ago. This is a drop of 1.4 percent and 7.8 percent for the quarterly and annual changes, respectively. Wyoming ranchers still received somewhat more than the U.S. average, but this has fallen somewhat from last quarter. Last quarter, the difference was 6 6 percent, and this quarter, the difference was 4.6 percent. The index of prices received for crops fell .7 percent from last quarter. This index has risen on an annual comparison by 19 points, or 7.4 percent. Wyoming farmers lost ground in comparison to other U.S. farmers, however, with their advantage falling from 10.8 percent last quarter to 3.8 percent this quarter.

The index of prices paid by farmers and ranchers rose 33 points from last year. This is a 12.8 percent increase, so the farmers and ranchers are losing ground against inflation. The value of their goods is growing at a slower rate than the costs of the goods they must buy.

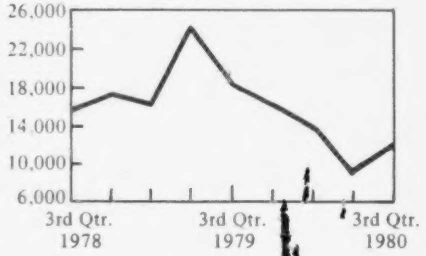
The amount of timber cut in Wyoming's national forests rose for the first time since the second quarter of 1979. The seasonally adjusted total of 12,413 MBF is 36.5 percent more than last quarter's three year low of 9,093 MBF. This is still well below the 24,103 MBF harvested in the second quarter of 1979.

Index of Prices Paid by U.S. Farmers and Ranchers (1967 = 100)



	Actual
Oct.	288
Nov.	290
Dec.	291
4th Quarter '80 Average Actual	290
Point change, actual basis from	
4th Quarter '79	33
3rd Quarter '80	7

Timber Cut in Wyoming National Forests (MBF)



	Actual
3rd Quarter '80 Total Actual	19,128
Total Seasonally Adjusted	12,413
Percent change, seasonally adjusted basis from	
rd Quarter '79	-33.1%
nd Quarter '79	36.5%

All data are preliminary.
Revisions appear in past quarterly trend data.

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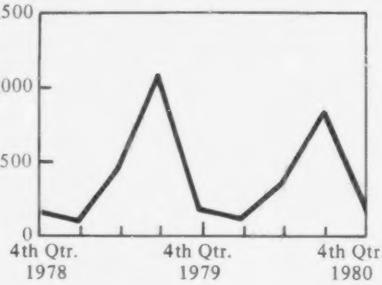
[1] Point change
[2] Percentage change

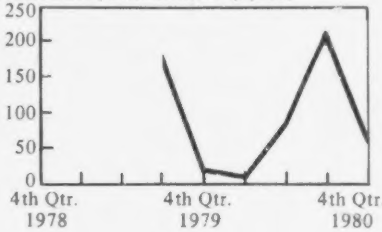
Tourism

National Park Visits -- Yellowstone and Grand Teton (1,000)



	Actual
Oct.	195
Nov.	128
Dec.	144
4th Quarter '80	
Total Actual	467
Percent change, actual basis from	
4th Quarter '79	– 6.8%
3rd Quarter '80	–82.5%

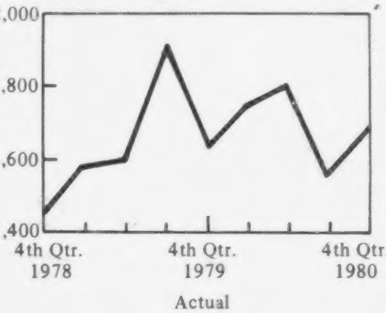
National Monument Visits – Ft. Laramie, Fossil Butte, Devil's Tower (1,000)



	Actual
Oct.	9
Nov.	6
Dec.	50
4th Quarter '80	
Total Actual	65
Percent change, actual basis from	
4th Quarter '79	209.5%
3rd Quarter '80	– 68.0%

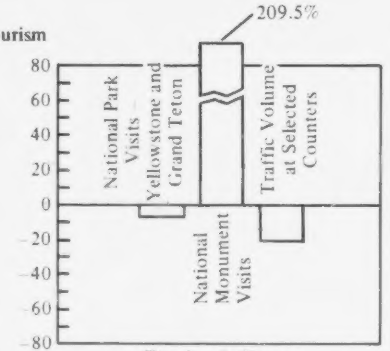
Utilities

Total Electrical Consumption (1,000,000 KWH)



	Actual
Oct.	528
Nov.	569
Dec.	614
4th Quarter '80	
Total Actual	1,711
Total Seasonally Adjusted	1,689
Percent change, seasonally adjusted basis from	
4th Quarter '79	4.0%
3rd Quarter '80	– .4%

Tourism



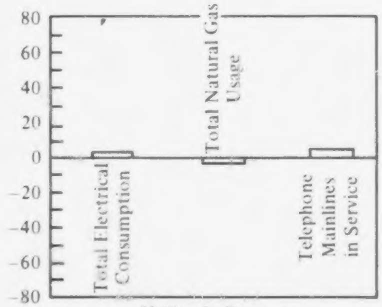
Tourism Indicators
Annual Percentage Change

The number of visitors to Wyoming's two national parks dropped off after the characteristic high in the third quarter. Visitation dropped 82.5 percent to 467,000. This is 6.8 percent less than one year ago.

Visitation at the national monuments rose 209.5 percent from the total of one year ago, to 65,000. The quarterly change was a drop of 68.0 percent of the third quarter mark of 203,000.

Due to changes in reporting methods, the traffic volume indicator for the fourth quarter of 1980 is not exactly the same as previously. There is one less traffic counter, and, therefore, the indicator is somewhat smaller than if measured as before. Using these new numbers, traffic volume has fallen in both the quarterly and annual comparisons. The quarterly drop is 12.8 percent, while the annual drop is 20.0 percent.

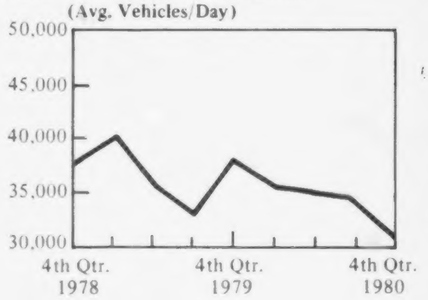
Utilities



Utility Indicators
Annual Percentage Change

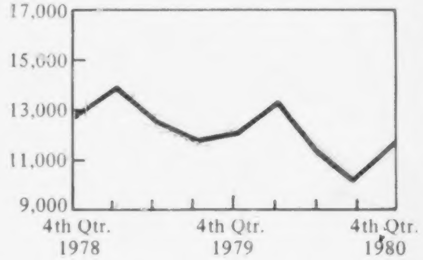
The number of telephones continues to rise. The fourth quarter total is 1.4 percent more than last quarter, and 5.4 percent more than last year. Electric consumption rose in absolute terms, but, when seasonally adjusted, is .4 percent less than last quarter. Natural gas usage follows a similar pattern. The quarterly change is a drop of 24.7 percent. The usage is 2.9 percent less than last year. This drop could be caused by increasing prices of fuel, and, also, by relatively mild winter weather.

Traffic Volume at Selected Counters[1] (Avg. Vehicles/Day)



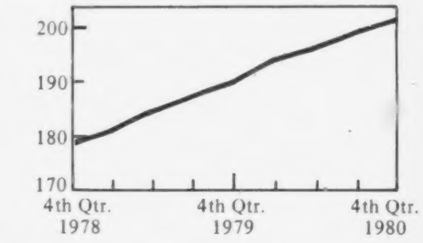
	Actual
Oct.	25,822
Nov.	23,595
Dec.	21,414
4th Quarter '80	
Average actual	23,610
Average Seasonally Adjusted	30,386
Percent change, seasonally adjusted basis from	
4th Quarter '79	–20.0%
3rd Quarter '80	– 12.8%

Total Natural Gas Usage (MMCF)



	Actual
Oct.	3,482
Nov.	4,167
Dec.	4,982
4th Quarter '80	
Total Actual	12,631
Total Seasonally Adjusted	11,739
Percent change, seasonally adjusted basis from	
4th Quarter '79	– 2.9%
3rd Quarter '80	–24.7%

Telephone Mainlines in Service (1,000)



	Actual
Oct.	200
Nov.	201
Dec.	202
4th Quarter '80	
Average Actual	201
Percent change, actual basis from	
4th Quarter '79	5.4%
3rd Quarter '80	1.4%

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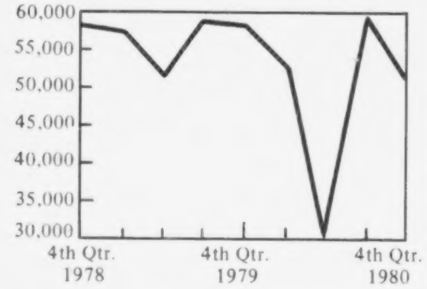
[1] Changes have been made in reporting methods.
All data are preliminary.
Revisions appear in past quarterly trend data.

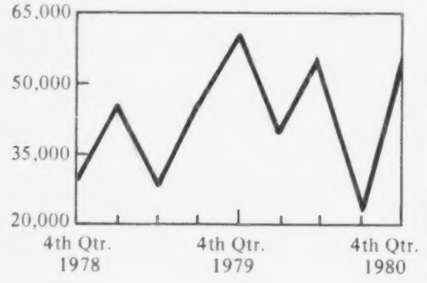
Construction

Total Residential Building Value ($1,000)



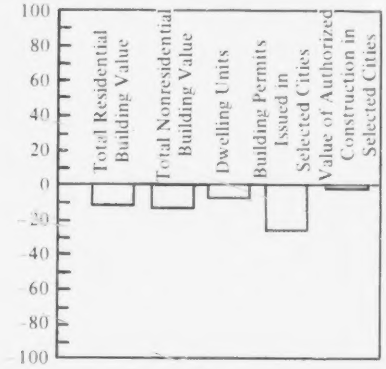
	Actual
Oct.	16,500
Nov.	16,000
Dec.	11,600
4th Quarter '80 Total Actual	44,100
Total Seasonally Adjusted	51,943
Percent change, seasonally adjusted basis from	
4th Quarter '79	-10.7%
3rd Quarter '80	-12.6%
4th Qtr. actual as percent of U.S. actual	.258%

Total Nonresidential Building Value ($1,000)



	Actual
Oct.	15,100
Nov.	6,500
Dec.	15,100
4th Quarter '80 Total Actual	36,700
Total Seasonally Adjusted	54,776
Percent change seasonally adjusted basis from	
4th Quarter '79	- 11.2%
3rd Quarter '80	152.9%
4th Qtr. actual as percent of U.S. actual	.313%

Construction



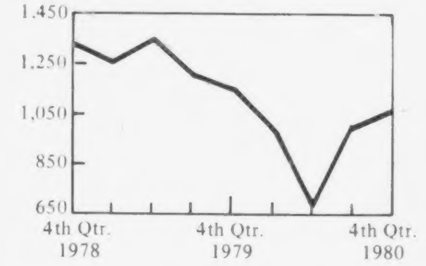
Construction Indicators
Annual Percentage Change

The construction industry has recovered somewhat from the problems experienced in the second quarter of 1980, but figures have not completely returned to the levels of 1979. Total residential building value fell 12.6 percent from last quarter, after the recovery experienced then. The current level is 10.7 percent less than one year ago. Wyoming currently is producing .258 percent of the U.S. total residential building value. There were 942 new dwelling units started in the fourth quarter, which, when adjusted for seasonality, translates into 1,078 units. This is 5.5 percent more than last quarter, but 7.5 percent less than last year.

Total nonresidential building value rose after the decline of the third quarter. The seasonally adjusted value is 152.9 percent higher than last quarter. Wyoming produced .313 percent of the U.S. total nonresidential building value.

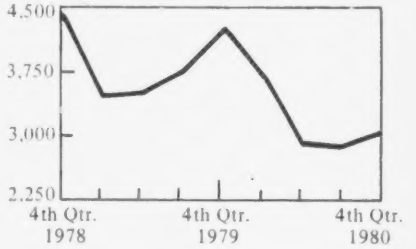
The number of building permits issued in the 21 cities which report to *Wyoming Issues* rose 6.5 percent from last quarter. This is 26.0 percent less than one year ago. The value of the construction authorized by these permits fell 18.3 percent from third quarter, and is 1.8 percent less than last year.

New Dwelling Units



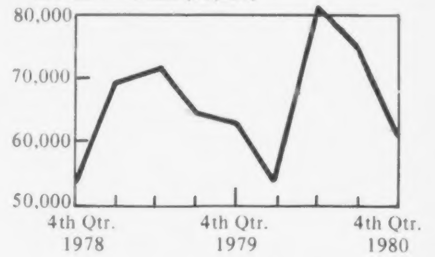
	Actual
Oct.	342
Nov.	411
Dec.	189
4th Quarter '80 Total Actual	942
Total Seasonally Adjusted	1,078
Percent change, seasonally adjusted basis from	
4th Quarter '79	-7.5%
3rd Quarter '80	5.5%
4th Qtr. actual as percent of U.S. actual	.254%

Building Permits Issued in Selected Cities



	Actual
Oct.	1,036
Nov.	773
Dec.	828
4th Quarter '80 Total Actual	2,637
Total Seasonally Adjusted	3,070
Percent change, seasonally adjusted basis from	
4th Quarter '79	-26.0%
3rd Quarter '80	6.5%

Value of Authorized Construction in Selected Cities ($1,000)



	Actual
Oct.	23,718
Nov.	14,083
Dec.	14,749
4th Quarter '80 Total Actual	52,550
Total Seasonally Adjusted	61,751
Percent change, seasonally adjusted basis from	
4th Quarter '79	- 1.8%
3rd Quarter '80	-18.3%

All data are preliminary. Revisions appear in past quarterly trend data.

NATIONAL PARK VISITS IN U.S. SHOW DECLINE

by Kim Keeney

The increasing costs of travel have kept many Americans close to home for their vacations. Visits to areas under the administration of the National Park Service have fallen in Wyoming and contiguous states. In the Rocky Mountain region, only Utah shows an increase in visitors when comparing 1976 and 1979.

The National Park Service is the caretaker for more than the 39 national parks. There are a total of 320 areas, including national battlefields, historic parks, lakeshores, monuments, recreation areas, seashores, and the White House.

Most areas showed increasing visitorship up until 1978. Visits dropped substantially in 1979, and data for Wyoming show this continued in 1980. The only geographical areas which showed continued growth were the Midwest and the West.

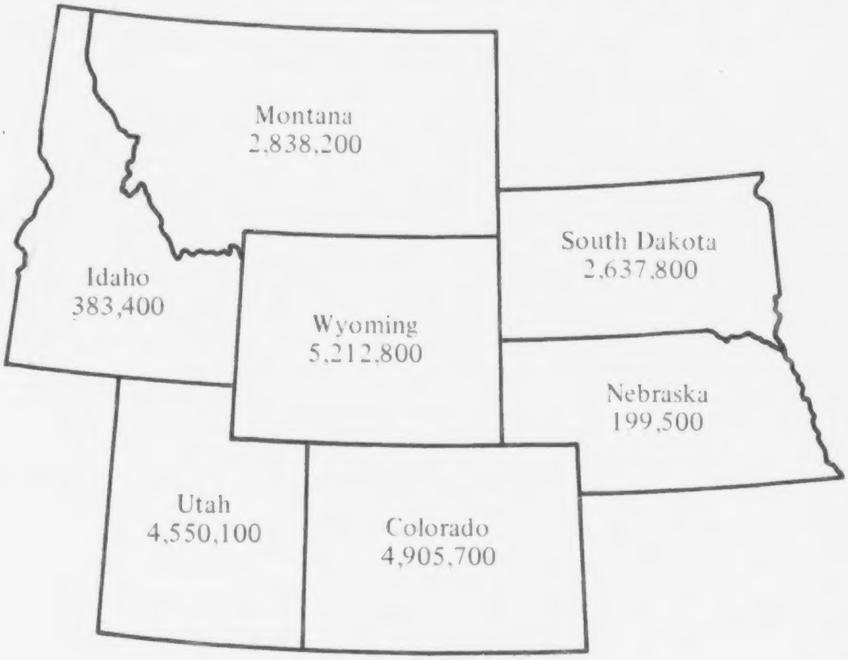
There are 11 national parks in Wyoming and the surrounding states. Rocky Mountain National Park in Colorado is the most visited, followed by Grand Teton and Yellowstone. Canyonlands in Utah is the least visited of these national parks.

Almost 30 percent of the visitors to these 11 national parks stayed overnight in 1979. Calculations of total overnight stays show that recreational vehicles are the favorite mode of overnight stays in national parks, followed by tenting, backcountry hiking, and miscellaneous. The preferred way varies from park to park. In Canyonlands, staying in the backcountry is preferred.

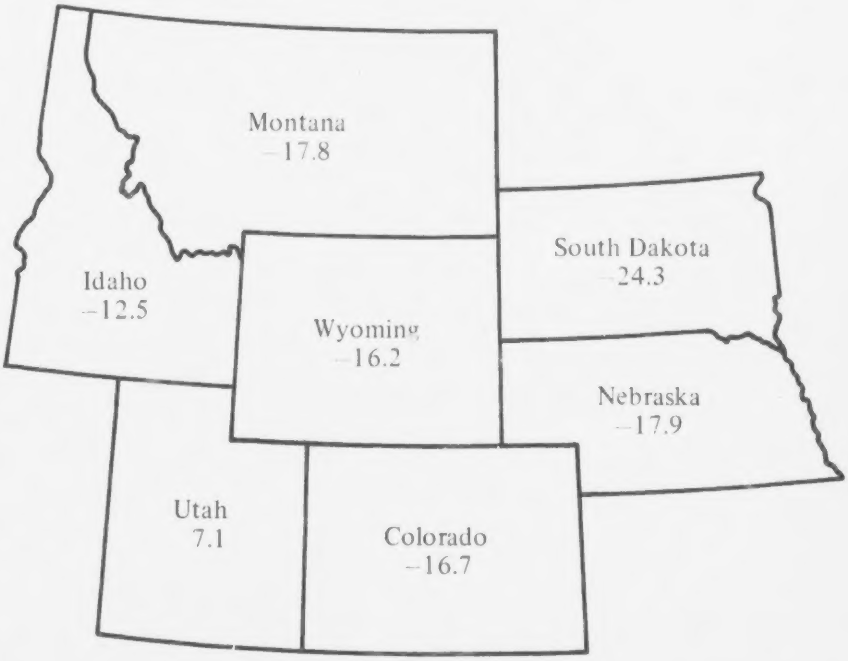
Although average visits declined, there are 21 states and territories which showed increasing visits to National Park Service administered areas in the time period 1976 to 1979. They are: Alabama, Alaska, Arkansas, California, Florida, Georgia, Hawaii, Indiana, Kansas, Maine, Minnesota, Mississippi, New Hampshire, New Jersey, Ohio, Puerto Rico, Rhode Island, South Carolina, Utah, and the Virgin Islands, and Wisconsin.

The state with the greatest growth in national park visits was Indiana, with a

Visits in 1979



Percent Change 1976-1979



growth of 366.9 percent. The Virgin Islands had an increase of 260.2 percent. Rhode Island went from zero visits in 1978 to 27,800 visits in 1979, after the opening of Roger Williams National Memorial.

The fastest growing areas are not always the same as the most visited ones. The rankings have been shifting over time. In 1976, Virginia and Washington were the number one and two areas respectively, probably because of the bicentennial. The rankings for the top five in 1976 and 1979 are as follows:

1976 (000)	
Virginia	28,386.0
Washington, DC	20,739.6
California	15,340.4
North Carolina	14,498.1
Massachusetts	9,106.7

1979 (000)	
California	23,678.1
Virginia	23,330.8
Washington, DC	16,933.0
North Carolina	13,291.0
New York	10,445.6

	Visitation (000)		Overnight Stays – 1979 Actual Numbers			
	1976	1979	Tents	RVs	Backcountry	Misc.
Colorado						
Mesa Verde	675.1	473.7	59,280	58,440	0	6,817
Rocky Mountain	2727.9	2568.5	138,381	170,300	56,560	11,236
Montana						
Glacier	1661.2	1446.1	92,000	134,647	25,439	0
South Dakota						
Badlands*	1210.0	858.6	3,786	3,496	856	0
Utah						
Arches	294.8	269.8	18,772	17,605	2,332	3,759
Bryce Canyon	625.6	558.1	47,916	48,403	871	8,794
Canyonlands	80.0	74.5	7,223	5,213	39,819	2,374
Capital Reef	425.1	288.9	10,965	16,501	2,063	2,023
Zion	1090.0	1040.5	69,712	95,746	8,964	10,492
Wyoming						
Grand Teton	2834.7	2446.2	122,465	117,590	24,558	28,110
Yellowstone**	2519.2	1892.9	219,297	358,266	46,142	10,199
Totals			789,797	1,026,207	207,604	83,804

*Before November 1978 Badlands National Park was a National Monument.

**Also in Montana and Idaho.

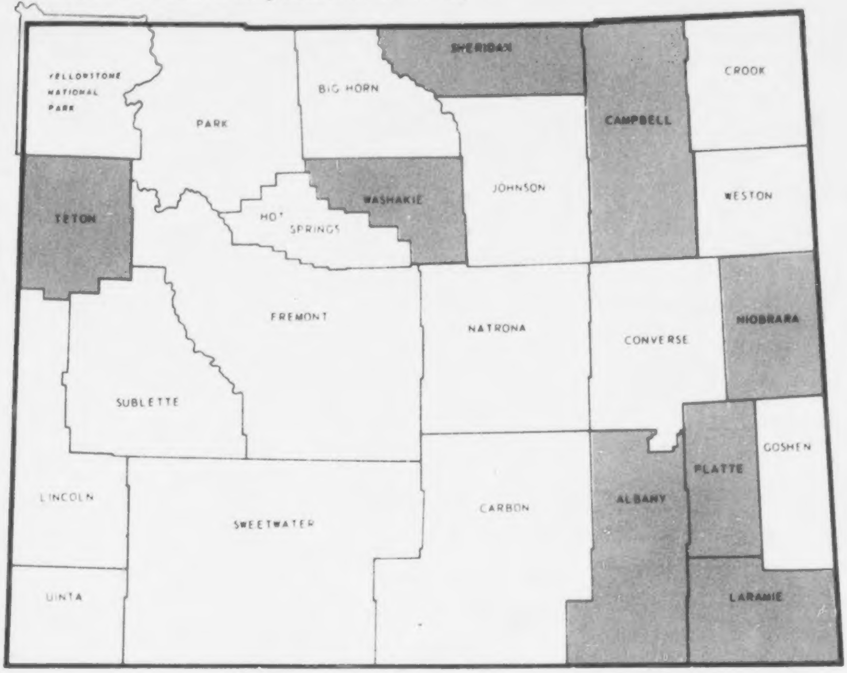
Visitation in Thousands in Areas Under the Administration of the National Park Service

	1976	1977	1978	1979	% change 76-79	#areas 1979
Colorado	5890.1	6138.6	6157.1	4905.7	-16.7	10
Idaho	438.0	412.7	279.0	383.4	-12.5	2
Montana	3443.2	3489.0	3391.4	2838.2	-17.8	6
Nebraska	243.0	231.0	246.0	199.5	-17.9	3
South Dakota	3485.8	3676.2	3625.2	2637.8	-24.3	4
Utah	4247.8	5214.5	5442.1	4550.1	7.1	13
Wyoming	6219.1	6778.0	6835.1	5212.8	-16.2	7

Socioeconomic Indicators–

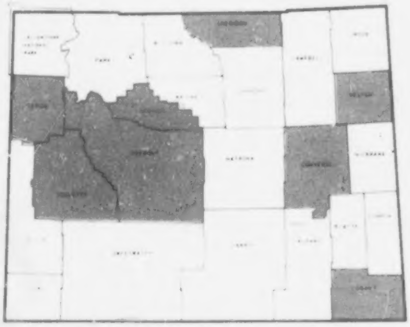
1977 and 1980 Reported Crime Comparison

Number of Crimes Reported 1977-1980

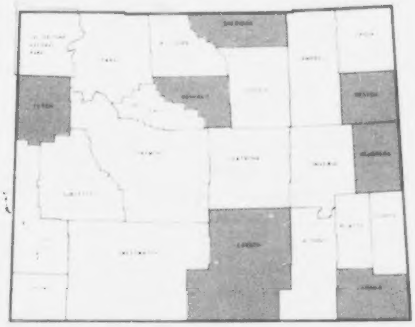

YELLOWSTONE NATIONAL PARK
PARK
BIG HORN
SHERIDAN
CAMPBELL
CROOK
TETON
HOT SPRINGS
WASHAKIE
JOHNSON
WESTON
FREMONT
NATRONA
CONVERSE
NIOBRARA
SUBLETTE
GOSHEN
PLATTE
LINCOLN
SWEETWATER
CARBON
ALBANY
UINTA
LARAMIE

▨ Less than average increase

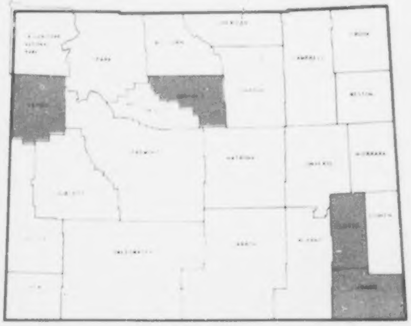
Robbery



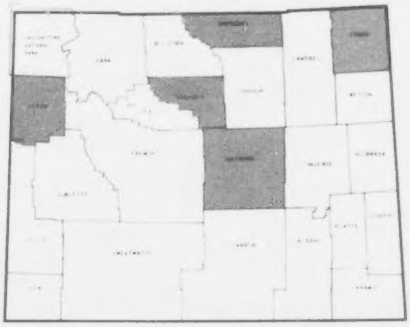
Aggravated Assault



Burglary



Motor Vehicle Theft



▨ Decrease in reported incidents

by Kim Keeney

The crime rate in the state of Wyoming has risen in the past few years, mainly because of the increase in population. Here, we compare reported crimes in the third and fourth quarters of 1977 to the same time span in 1980. This is only reported crime, and, therefore, may or may not reflect the actual number of crimes committed.

Many factors affect the amount of crime from place to place, so caution should be used when making conclusions about inter-county crime rates.

Figures used in Wyoming's Uniform Crime Reporting Program are voluntarily submitted by local law enforcement agencies. In some places, figures will be missing. This program began June 1, 1977, and, therefore, the 1977 reports are not as complete as those for 1980.

In the July through September period of 1977, the value of reported stolen property was $2,003,089. During this time period, $877,591 worth of stolen property was recovered. In the fourth quarter, $1,752,484 worth of property was stolen, and $953,573 worth was recovered.

In the third quarter of 1980, property valued at $3,945,075 was reported stolen. The amount of property recovered was valued at $1,654,461. During the fourth quarter, $3,695,700 worth of property was stolen, and $1,728,928 was recovered.

Several counties show very large increases in crime. These are often the same counties where known inaccuracies exist in the data. In most cases, this results from missing 1977 reports. Counties where this occurs are Big Horn, Crook Hot Springs, Park, Sublette, and Sweetwater (the 1977 reports do not include Rock Springs), Uinta, and Weston. There are no reports for Johnson County in 1977.

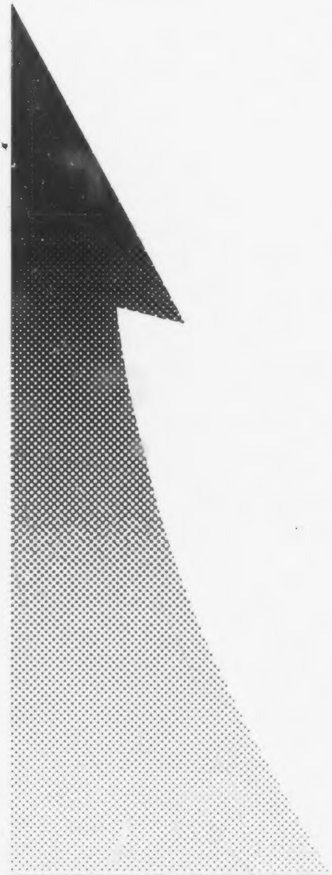
Laramie, Teton, and Washakie counties all had decreases in the amount of crime reported in the three year span. All three of these counties have complete 1977 data.

		Murder		Rape		Robbery		Aggravated Assault		Burglary		Larceny Theft		M.V. Theft		Total	
		No.	% Change	No.	% Change	No.	% Change	No.	% Change	No.	% Change	No.	% Change	No.	% Change	No.	% Change
Albany	1977*	0		9		3		39		86		476		30		643	
	1980	0		4	-56	7	133	16	-59	117	36	653	37	38	27	835	30
Big Horn	1977*	0		0		0		9		12		21		7		49	
	1980	0		0		1		10	11	34	183	107	410	15	114	167	241
Campbell	1977	2		4		1		26		111		377		41		562	
	1980	1	-50	6	50	8	700	27	4	120	8	515	37	51	24	728	30
Carbon	1977	3		0		1		38		31		225		20		318	
	1980	2	-33	4		8	700	37	-3	98	216	473	110	42	110	664	109
Converse	1977	0		3		2		19		25		125		19		193	
	1980	1		0	-100	1	-50	20	5	58	132	211	69	35	84	326	69
Crook	1977*	0		0		0		0		3		1		4		8	
	1980	1		0		1		4		8	167	18	1700	3	-25	35	338
Fremont	1977	3		1		3		17		53		390		29		496	
	1980	0	-100	7	600	1	-67	36	112	119	125	563	44	33	14	759	53
Goshen	1977*	0		0		0		7		32		109		4		152	
	1980	0		0		1		18	157	39	22	160	47	8	100	226	49
Hot Springs	1977*	0		0		1		4		3		7		1		16	
	1980	0		1		0	-100	12	200	39	1200	44	529	4	300	100	525
Johnson	1977*																
	1980	0		0		0		3		23		90		2		118	N/A
Laramie	1977	2		11		32		76		535		1306		92		2054	
	1980	3	50	15	36	17	-47	102	34	266	-50	1248	-4	100	9	1751	-15
Lincoln	1977*	0		2		0		10		26		69		6		113	
	1980	2		2	0	0		13	30	29	12	129	87	21	250	196	73
Natrona	1977*	2		6		17		132		355		1265		239		2016	
	1980	2		5	-17	36	112	136	3	663	87	1508	19	178	-25	2528	25
Niobrara	1977*	0		0		0		5		6		3		0		14	
	1980	0		0		0		1	-80	11	83	6	100	2		20	43
Park	1977*	0		2		0		12		28		75		2		119	
	1980	1		2		4		24	100	59	111	307	309	19	850	416	250
Platte	1977	0		0		0		13		16		86		2		117	
	1980	1		1		0		14	8	41	156	97	13	10	400	164	40
Sheridan	1977	0		0		4		31		39		248		27		349	
	1980	0		0		2	-50	8	-74	53	36	320	29	10	-63	393	13
Sublette	1977*	0		0		1		0		2		2		0		5	
	1980	0		2		0	-100	2		14	600	56	2700	15		89	1680
Sweetwater	1977*	2		2		1		3		38		103		13		162	
	1980	2		11	450	16	1500	147	4800	205	439	817	693	109	738	1307	707
Teton	1977	0		0		2		19		74		301		16		412	
	1980	0		0		0	-100	7	-63	14	-81	70	-77	4	-79	95	-77
Uinta	1977*	2		1		2		5		14		36		9		69	
	1980	0	-100	6	500	5	150	93	1760	57	307	[illegible]94	439	60	567	415	501
Washakie	1977	0		0		0		12		32		85		13		142	
	1980	0		0		2		5	-58	20	-38	70	-18	4	-69	101	-29
Weston	1977*	0		0		1		1		9		37		2		46	
	1980	1		4		0	-100	3	200	32	256	[illegible]	142	8	300	128	178
TOTALS	1977	16		41		71		478		1530		5343		576		8055	
	1980	17	6	70	70	110	55	738	54	2119	38	7736	45	771	34	1156	44

***Inaccuracies are present in the data due to inconsistent reporting of crimes.**

Forecasting for Wyoming's economy

by Kim Keeney



Is Our Standard of Living Declining?

Instead of the usual national and Wyoming outlooks, this quarter we present a comparison of living standards during the 1960s and 1970s. This material is based on a report by Chase Econometrics.

Last fall, when Ronald Reagan asked voters if they were better off than four years ago most felt that they weren't. Because the recession at the end of the 1970s was the worst since WWII, the voters' reply was not unexpected.

However, real income did rise in the 1970s, but not at the same rate as seen in the 1960s. The average consumer's economic condition probably improved. So why do people have the impression they are worse off?

Part of the reason may be psychological. The 1950s and 1960s saw rapid growth in the economy. Americans easily became accustomed to high growth. And, part of the feeling may be due to different measurements of growth. One measurement shows that, in the '60s, total real disposable income (income minus inflation and taxes) rose 54 percent, an average of 4.4 percent per year. And, in the 1970s, the total was 35 percent, a 3.3 percent annual growth rate.

But growth rate fails to truly measure changes in living standards, because it doesn't account for population changes. If one adjusts for population changes, the drop in real disposable income is smaller. Using this adjustment, the growth in real disposable income during the '60s was 3.1 percent per year per person, and it was 2.5 percent in the '70s.

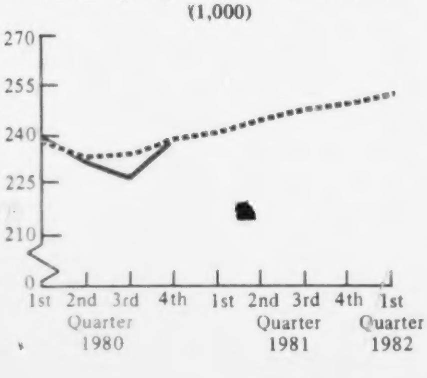
A better indicator of economic welfare may be real income per household, since most spending decisions are made within that framework. The number of households grew in the '70s, and outpaced population growth, partly because the baby boom generation reached maturity, partly because of an increase in divorce, and partly because older Americans maintained households separate from the rest of their families. Using this measurement, real income falls at a faster rate than in either of the previously mentioned methods. During the '60s, real income rose 2.5 percent annually, compared to 1.1 percent during the 1970s.

Who is asked if they are worse off also influences the answer. Lower and middle income families, depending on wages and salaries for income (especially with only one wage earner), younger and less educated workers, and nonunion and low-skilled laborers were the hardest hit by the slowdown in the '70s. Two-income families and some middle aged and older people gained strongly. Those who owned homes gained as increasing demand and prices made homes worth more. Access to indexed earnings, such as social security, also helped many.

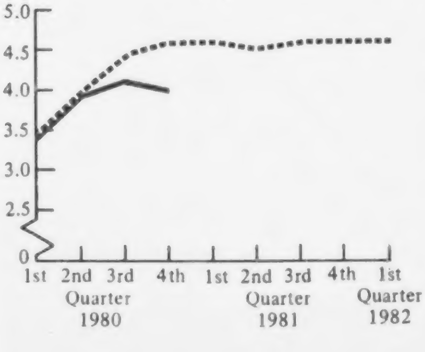
Because prices rose fastest for neces-

1981 economic forecasts

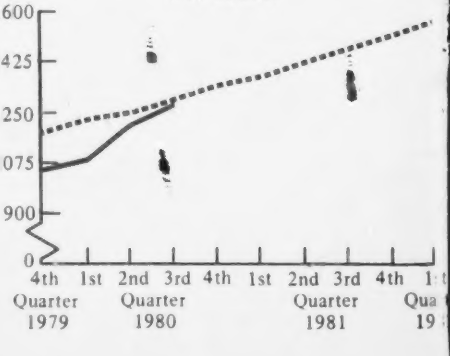
Seasonally Adjusted Civilian Labor Force (1,000)



Seasonally Adjusted Unemployment Rate (%)



Seasonally Adjusted Total Personal Income ($1,000,000)



sary goods – food, fuels and housing – inflation in the '70s had a stronger effect on lower and middle income families, who spend a greater proportion of their income on these commodities. Therefore, real discretionary income rose only 2.3 percent annually in the '70s.

Households adapted somewhat to slower income growth. Self-serve gasoline, generic groceries, and discount merchandising reflect that people are now more sensitive to price changes, as does the trend to smaller homes, cars and appliances, and the tendency to replace these items at a slower rate. The slowing also effected the sales of luxury goods, such as vacations, dining out, and, perhaps, the consumption of beef.

During the '70s, different incomes rose at different rates. Wages grew faster in some areas than in others. Unionized and high skill industries showed a greater increase than average. Workers in coal and petroleum, metals, tires, and transportation equipment gained 40 percent or more over the average for private nonfarm workers. Wage gains in textiles and apparel were 70-80 percent below average.

Transfer payments grew at double the growth rate of disposable personal income, 6.6 percent per year. Most of this was for Social Security and pensions for federal employees.

Any assessment of living standards should account for assets as well as income. Home ownership is the largest of these, as more people own homes than other assets. The value of owner-occupied housing as a fraction of disposable income rose strongly from the mid-'70s on. The ratio of wealth from homes to income is lower than in the '60s and early '70s, but is higher than the ratio of financial assets such as stocks and bonds. The increasing value of homes helped those of higher income brackets and older age groups, who own more housing, but made it more difficult for younger prospective homeowners.

From this discussion, it can be seen that, although the financial picture is not crystal clear, growth did occur during the '70s, but not at the rate we had become accustomed to during the previous decade.

Spring Agricultural Outlook

by Robert D. Carver
University of Wyoming

American farmers should fare better this year than in 1980, as tighter supplies and strong demand push net farm income up as much as a fifth. Farmers, whose net income fell from $31 billion in 1979 to $23-25 billion last year, may see that bottom line figure rise back up to the $30 billion level in 1981.

The major reasons for strengthening farm incomes this year is based on tighter supplies of most farm commodities. Overall, grain prices and most livestock prices will increase over 1980 levels. In looking at last year's relatively low net farm income, it's important to note that soaring production costs, not falling farm prices, caused the slippage. This year's boom in farm prices should cushion the impact of another big jump in production costs.

Production Costs

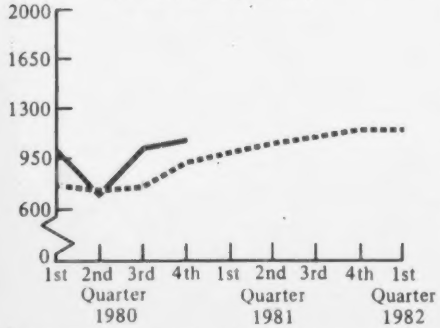
Nearly all input prices are expected to increase in 1981. Projected increased production expenses of 10-12 percent would match 1980 increases. Fuel and energy prices remain the biggest question among production inputs. Fuel prices increased over 10 percent in the month of February, with periodic increases expected throughout the coming production year. These increased energy costs will certainly be reflected in fertilizer and transportation costs. While current interest rates are very high, a repeat of 1980's spring farm credit crisis is unlikely. Both long-term and short-term interest rates may decline from the 1980 average levels. Per unit production costs will be smaller if 1981 crops recover from last year's drought reduced yields.

Crops

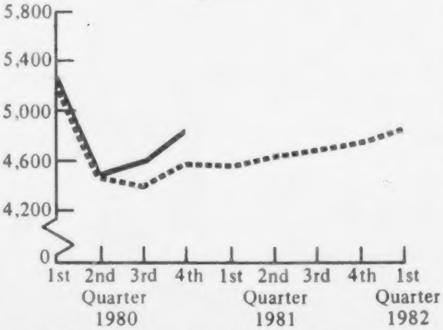
U.S. crop developments this year will greatly determine world grain stocks and prices. Feed grain stocks are so depleted by the 1980 drought and strong domestic and foreign demand that just about everyone has a stake in how well U.S. producers do with 1981 crops. Current outlook indicates acreage planted for wheat and feed grain crops will be up in

——— Economic baseline (IPR indicators)
•••••••••• Chase Econometric Associates, Inc.[1]

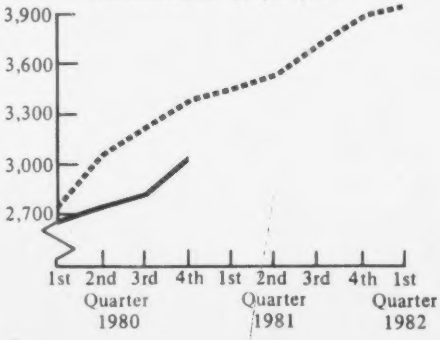
Seasonally Adjusted Dwelling Units (Permits) – Housing Starts (Permits)



Seasonally Adjusted New Passenger Car Registrations



Total Deposits in Wyoming State and National Banks[2] ($1,000,000)



[1] Based on CEAI Standard Macro Forecast of August 22, 1980 (Short-term) and March 8, 1980 (Long-term).

[2] unadjusted

1981. Carryover stocks of feed grains next October 1st are forecast to be only 500-700 million bushels versus 1,600 million bushels last fall. With stocks so low, new crop prospects will be very important price-making factors in the coming months.

Livestock

The USDA January 1 cattle inventory report estimated there were 115 million head of cattle and calves in the U.S. This is up 3 percent from 1980, and 4 percent above the low point of the most recent cycle in 1979. The number of beef cows on January 1 totaled 39 million head, up 5 percent from a year earlier. In addition, producers reported they intended to hold 4 percent more heifers as beef cow replacements than in 1980.

The cow herd is the base from which future beef production will come. With increases like those noted this past year, the stage is set for further build-up in cattle numbers during the next few years. Combined with a 6 percent larger 1980 calf crop, beef production for the next two years could increase dramatically from the 1980 level.

The cattle industry should look at this rate of expansion with some degree of concern. Historically, increases of over 2 percent annually in the size of the cow herd have created supply problems which have depressed cattle prices.

Fed cattle prices should show some strength from now through the second quarter. Current cattle on feed reports indicate reduced fed cattle slaughter is likely in the short-run. Feeder cattle prices should increase as we move into green grass time. Higher grain prices and increased calf supplies will prevent sharp price increases in feeder cattle this spring, however.

While the farm economy as a whole should improve this year, some producers as a group will do better than others. The agricultural outlook for Wyoming producers in 1981 is somewhat mixed. Grain producers should anticipate a much improved price structure. Cow-calf producers are looking at a declining profit picture, similar to 1980.

Spring Minerals Outlook

Staff, Geological Survey of Wyoming

Coal

Preliminary production figures from the State Inspector of Mines show that the current soft market for Wyoming coal had less overall effect on last year's production than predicted by the Wyoming Geological Survey. In fact, Wyoming's 1980 production of 94 million tons was 8 million tons above a January 1980 forecast by the Wyoming Geological Survey (Public Information Circular No. 12, p. 8, 1980). The state's largest producers were Amax Coal Company's Belle Ayr mine at 16.1 million tons and their Eagle Butte mine at 8.4 million tons; Atlantic Richfield's Black Thunder mine at 10.5 million tons; Kerr-McGee's Jacobs Ranch mine at 8.3 million tons; and Sunoco's Cordero mine at 6.6 million tons. The Belle Ayr mine, incidentally, remains the largest coal mine in the United States.

While Powder River Basin production jumped from 45.9 million tons in 1979 to 69.4 million tons in 1980, some other mining areas in the state didn't fare so well. Although production from the Green River Region (Rock Springs Coal Field) was above 1979's, the area's only underground coal mine, the Stansbury mine, shut down at the end of the year. Competition in a tight market obviously had some hand in the closure. The hardest hit area, however, was the Hanna Coal Field where 1980 production slumped 22 percent below 1979's. Hanna's problems were highlighted by the closure of one of the four largest strip mines in the field – Arch Mineral's Seminoe No. 1 mine.

In early 1980, the Wyoming Geological Survey estimated that Wyoming coal production would be 12 percent below contract demand (production was 5 percent below contract demand in 1979). In reality, the 1980 production only dipped 2-3 percent. If that recovery trend continues, 1981 production could easily reach 105 million tons. Although it is not clear what reversed the earlier trend toward a production decline, price rollbacks may have been a factor. McGraw-Hill's *Coal Week* newsletter of February 23, 1981, reported that Exxon had slashed one of its contracts by $4.76 a ton. Its original 1978 coal contract price with Omaha Public Power District has been $12.02 a ton, but was renegotiated to $7.26 a ton in 1981. McGraw-Hill's market coal prices for both the Powder River Basin and southern Wyoming also reflect the soft market, in that they haven't changed since February of 1979. In fact, between February and March of that year, indicator prices actually fell 25-50 cents per ton.

Coal mine capacity still remains far in excess of contracted demand. This puts most Wyoming mines in a good posture to pick up any emergency demands stemming from an impending eastern coal strike. Similarly, Burlington Northern railroad reports considerable idle rolling stock that could be quickly mobilized in the event of a strike. The Union Pacific railroad also reports it could handle increased coal traffic.

In early 1981, the U.S. Bureau of Land Management held its first federal coal lease sale in Wyoming since 1970. The much touted resumption, however, was actually not much more than maintenance leases to support the continuation of existing mines in the Hanna Coal Field. Various tracts up for lease contained 7.8-13.2 million tons each. Successful bidders offered bonus bids of $52 to $167 per acre. Some observers were quick to point out that back in 1970, bonus bids in the Hanna area were as high as $257.50 per acre. It is also notable that Capital Development of Lacy, Washington, a stranger to Wyoming mining, submitted the high bid for the Semnoe II Tract. This bid was surprising, since Capital outbid the company that is presently mining coal adjacent to the tract. As some observers point out, it is also somewhat ironic as Interior's new leasing policy is supposed to reduce the very speculation in federal coal leases that Capital's bid suggests.

Later this year, the first relatively large scale federal coal lease sale will occur in the Rawlins area. There, the China Butte and, possibly, the Red Rim tract will be offered for lease. Between 74 and 115 million tons of federal coal are involved in that upcoming sale. An interesting sideline to the sale emerged when Rocky Mountain Energy Company, a subsidiary of Union Pacific, suggested that their private mineral holdings be included in the sale. They argued that with a cooperative lease approach, checkerboarded federal and railroad lands would form more logical mining units. Interior has asked for public comment on such an approach and is moving ahead in formulating procedures for a combined sale.

The next coal lease sale after Rawlins is scheduled for the Powder River Basin in April of 1982. Controversy surrounding this planned lease sale is escalating daily. Various federal agencies are already expressing highly contradictory views of how much coal should be included in that sale. The General Accounting Office and the Federal Justice Department argue that Interior must raise its suggested tonnages. Justice is saying that as much as 5 billion tons are necessary. Interior, meanwhile, supports an offering of only 2.5 billion tons, which is slightly above the U.S. Department of Energy's production goal of 2.2 billion tons. Interestingly, Amax Coal Company is recommending even lowered leasing targets than Interior or Department of Energy. Amax suggests 776 million tons is more appropriate. In a similar vein, the Powder River Basin Resource Council cites overcapacity and a soft market as justification for postponing or canceling the sale entirely. With such contrasting views, the Powder River Regional Coal Team's task of selecting leasing goals for 1982 won't be an easy decision.

Regarding coal transportation, recent decisions by the Interstate Commerce Commission have reduced some Burlington Northern freight rates out of the Powder River Basin. Forecast rate increases related to rail deregulation, however, could more than offset these reductions in the near future. Chances for increased rail competition in the Powder River Basin were boosted by the possible merger of the Union Pacific, Missouri Pacific, and Western Pacific railroads as well as by Union Pacific and Chicago & Northwestern's joint plan for a new rail line into the basin. As a sideline to transportation, the 1981 Wyoming Legislature apparently amended the Industrial Siting Act to include new railroad construction.

Amendments to Wyoming's Industrial Siting Act not only brought railroads under its auspices, but also synthetic fuel plants. This legislation, incidentally, was a priority item with Governor Ed Herschler. Another host of proposed synthetic fuel plants had cropped up in late 1980. With President Reagan's announced plans to cut subsidies for synthetic fuel plants, however, the fate of most of these newly announced plants is probably back in limbo.

Coal slurry pipelines are still making news as the proposed Sheridan Little Horn Slurry Project was not approved by the 1981 Wyoming Legislature. Before its defeat, Montana, South Dakota, and the Crow Indian Tribe had all threatened to sue Wyoming if it authorized the project. Opponents of Energy Transportation Systems' (ETSI) slurry line failed to overturn ETSI's original enabling act, thus allowing the only authorized slurry project to proceed with its plans. A draft Environmental Statement on that line was released in 1980. Groundwater drawdown cited by that statement, however, prompted South Dakota to suggest alternate water supplies for the project. One such alternate is an aqueduct from South Dakota's Oahe Reservoir. South Dakota's legislators are already considering legislation that would permit the out-of-state sale of surface waters stored in Oahe. A delegation of Wyoming legislators will meet with South Dakota to discuss joint construction of such an aqueduct, which may cost as much as one billion dollars.

Oil and Gas

Already in 1981, there have been several major government actions affecting the oil and gas industry. President Reagan's deregulation of oil prices is probably the most far reaching, affecting the industry on a national scale. Only the timing of anticipated price increases related to this decision are debatable. Closer to home, the 1981 Wyoming Legislature increased the severance taxes on oil and gas by 2 percent, thus raising the tax to 6 percent. Severance and ad valorem taxes on oil and gas now total about 12.4 percent. The Legislature also amended the State's Industrial Siting Act to include natural gas sweetening plants, a measure that failed to win approval in 1980.

The Overthrust Belt continues to headline oil and gas exploration activity in Wyoming. Chevron, U.S.A. reported an indicated gas discovery, approximately 5 miles northwest of the town of Evanston. The new well has approximately 500 feet of indicated pay zone in the Permian Phosphoria Formation and the possibility of additional gas in the Mississippian Madison Formation. Testing and evaluation are continuing.

In a related note, a recently completed study by the Resources Appraisal Group of the U.S. Geological Survey has increased the undiscovered reserve estimate for the Overthrust Belt of Idaho-Wyoming-Utah. Estimates of undiscovered oil vary from 2.7 billion barrels to 13.3 billion barrels, with a mean of 6.7 billion barrels. Estimates of associated dissolved gas (gas associated with oil being produced) are between 6.7 trillion cubic feet and 33.3 trillion cubic feet, with a mean of 16.8 trillion cubic feet. Nonassociated gas estimates vary between 15.6 and 85.2 trillion cubic feet, with a mean of 41.6 trillion cubic feet. By comparison, the group's mean estimate for undiscovered recoverable oil in the U.S. is 82.6 billion barrels. Their mean estimate for natural gas is 593.9 trillion cubic feet. The report, entitled "Estimate of Undiscovered Recoverable Resources of Conventionally Producible Oil and Gas in the U.S. – A Summary," is available at the following address:

Service Section
U.S. Geological Survey
Box 25425
Denver Federal Center
Denver, CO 80225

Data Sources

1. Employment	Employment Security Commission of Wyoming
2. Wages and Employment	
Average Weekly Earnings	Employment Security Commission of Wyoming
Average Weekly Hours	Employment Security Commission of Wyoming
Average Hourly Earnings	Employment Security Commission of Wyoming
Job Placements – Nonagricultural	Employment Security Commission of Wyoming
Initial Unemployment Insurance Claims	Employment Security Commission of Wyoming
Help Wanted Advertisements	Compiled by Institute for Policy Research
3. Mining and Minerals	
Bituminous and Lignite Coal Production	Energy Data Reports, U. S. Dept. of Energy
Oil Production	*The Oil and Gas Journal.* The Petroleum Publishing Co. Tulsa, OK. (Copyrighted)
Natural Gas Production	Energy Data Reports, U.S. Dept. of Energy
4. Agriculture and Forestry	
Index of Prices Paid by Farmers and Ranchers (U.S.)	Wyoming Cooperative Crop and Livestock Reporting Service
Index of Prices Received by Farmers and Ranchers All Commodities (Wyo.)	Wyoming Cooperative Crop and Livestock Reporting Service
Index of Prices Received by Farmers and Ranchers for Livestock and Products (Wyo.)	Wyoming Cooperative Crop and Livestock Reporting Service
Index of Prices Received by Farmers and Ranchers All Crops (Wyo.)	Wyoming Cooperative Crop and Livestock Reporting Service
Lamb and Calf Crops	Wyoming Cooperative Crop and Livestock Reporting Service
Timber Cut in Wyoming National Forests	U.S. Forest Service
5. Construction	
Total Residential Building Value	F.W. Dodge Co. (Further reproduction prohibited.)
Total Nonresidential Building Value	F.W. Dodge Co. (Further reproduction prohibited.)
New Dwelling Units	F.W. Dodge Co. (Further reproduction prohibited.)
Value of Authorized Construction	Compiled by Institute for Policy Research
Number of Building Permits	Compiled by Institute for Policy Research
6. Finance	
Total Loans (State and National Banks)	Wyoming State Bank Examiner
Total Deposits (State and National Banks)	Wyoming State Bank Examiner
Demand Deposits (State and National Banks)	Wyoming State Bank Examiner
Loan Deposit Ratio (State and National Banks)	Wyoming State Bank Examiner
Mortgage Loans (Savings and Loans)	Federal Home Loan Bank, Seattle
Total Savings (Savings and Loans)	Federal Home Loan Bank, Seattle
7. Consumers	
State Sales and Use Tax Collections	Wyoming Dept. of Taxation & Revenue
Estimated Retail Sales	Estimated by Institute for Policy Research
U.S. Consumer Price Index	U.S. Dept. of Commerce, Bureau of Economic Analysis, *Survey of Current Business*
Personal Income	*Business Week*
New Car and Truck Registrations	R.L. Polk & Co. (Further reproduction prohibited.)
Gasoline Price	Wyoming AAA
8. Business Conditions	
New Domestic Corporations	Wyoming Secretary of State
New Foreign Corporations	Wyoming Secretary of State
Total New Corporations	Wyoming Secretary of State
Bankruptcies	Cheyenne Credit Bureau
Business Failures	Cheyenne Credit Bureau
Value of Business Failures	Cheyenne Credit Bureau
9. Utilities	Compiled by Institute for Policy Research
10. Tourism	
National Park Visits	Yellowstone and Grand Teton National Parks
National Monument Visits	Fossil Butte, Devil's Tower & Ft. Laramie National Monuments
Traffic Volume	Compiled by Institute for Policy Research from Wyoming Highway Department Data